

Technical Perspectives on Analyst's Rating Changes

IMB - case study
07-12-2008

IMB – The "initial signs of a base" on IMB that was mentioned in the TPARC report for May 24, 2007 failed shortly after the report was issued. The more bearish comments about the stock being "below the 45-degree Bearish Resistance Line" and that there was "massive overhead resistance" and that "resistance will probably turn it back down" proved to be more prophetic. The stock's downtrend has persisted and the stock has lost almost all of its value. U.S. banking regulators seized the assets of the troubled thrift during the past week. Once again, the market seemed to have the stock figured out ahead of time. This is another example of the observation that persistent long-term trends of performance are not accidental. The analyst's "neutral" rating on the stock now looks ridiculous

W. Clay Allen CFA

