

Technical Perspectives on Analyst's Rating Changes

NFLD case study
02-08-2007

NFLD attempted a major reversal in mid-2006 that failed. Had the stock been sold on the original downside break a large amount of downside could have been avoided. The resistance across row D proved to be insurmountable. Between January 5, 2006 and February 8, 2007 the long-term investor could have avoided a price drop of over 10 points or over 70% of the market value. This example points out the importance of historic resistance zones on the chart.

W. Clay Allen CFA

