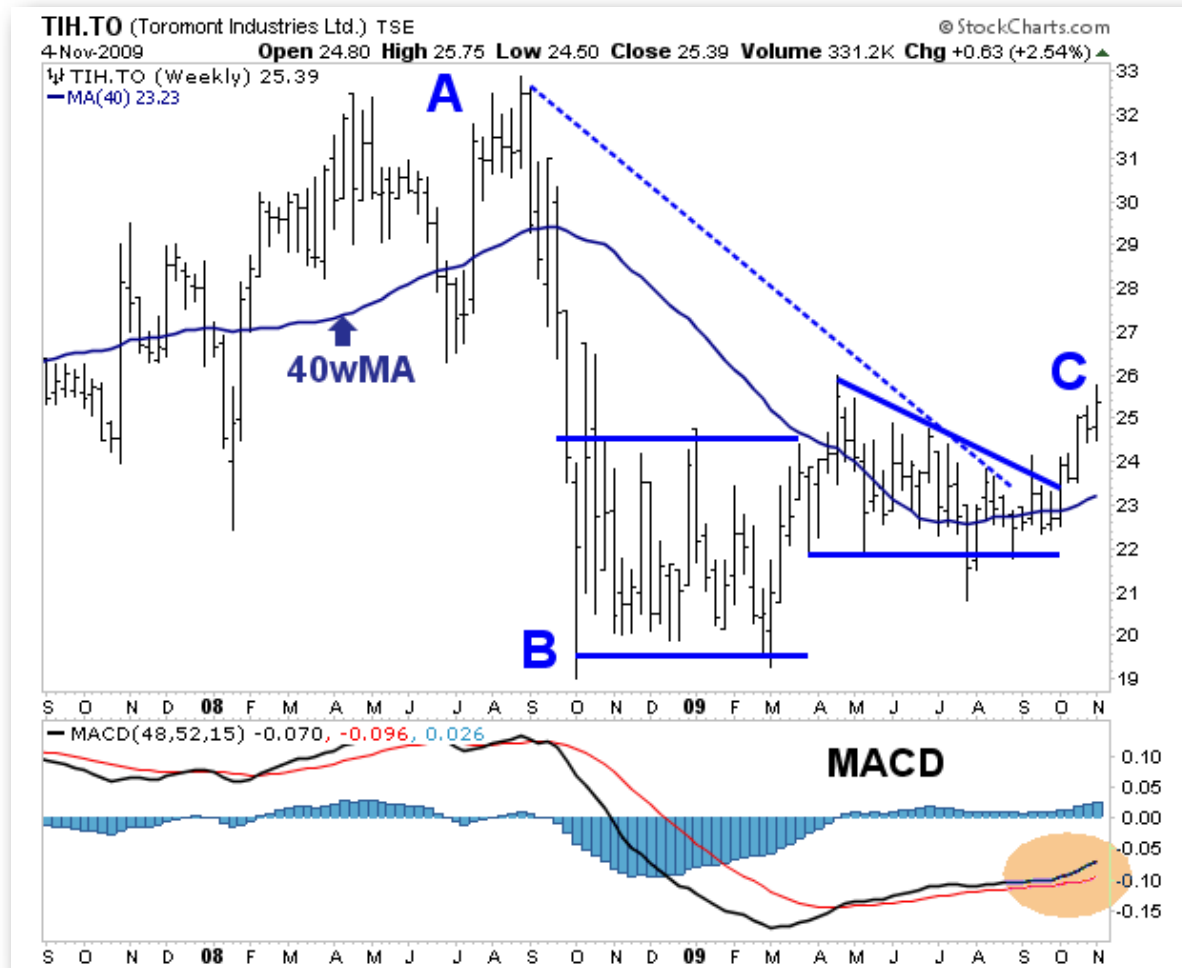


Toromont Industries (THI: \$25.39)

November 5, 2009

Target: \$33.00

Reversal Level: \$23.00



Toromont had a major breakout.

From the high of \$32.90 in August 2008 (A), Toromont had a sharp decline to \$19.03 in October of the same year (B) and then settled into a horizontal trading range between \$20 and \$24. Subsequently, it settled into a wedge formation characterized by lower highs and equal lows (see chart). The recent rise to \$25.30 (C) confirms the breakout from both the wedge pattern and the long-term descending trendline (see dashed line) and signals the start of a new major up-leg.

Technical indicators including the rising 40-week (200-day) moving average, the VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below \$23.00 would cancel the bullish potential of this stock.

The rise above \$24 confirmed the technical targets of \$29 and \$33 (14% and 29% appreciation potentials from current levels). The large area of accumulation (see dotted lines) supports higher targets.