



**Check Point Software (CHKP: US\$26.81)**

August 4, 2009

**Target: \$35.00**

Reversal Level: \$24.00



**Check Point Software is on the verge of a breakout from a multi-year base.**

Check Point Software declined from \$113.33 in October 2000 to \$14.26 in July 2002 (A-B), rallied to \$25.87 in June 2004 (C), and then settled into a large base between \$17 and \$27 for the past five years. (see dashed lines). Only a sustained rise above \$27-28 would signal a breakout above the horizontal trading range and would suggest significantly higher targets.

Technical indicators including the rising 40-week (200-day) moving average and the MACD (see lower panel) confirm its bullish status. Only a decline below \$24 would delay the potential breakout and suggest a move toward to the bottom of the trading range.

***A rise above \$27-28 would provide technical targets of \$35 and \$43 (30% and 59% appreciation potential from current levels). The large area of accumulation supports higher targets.***