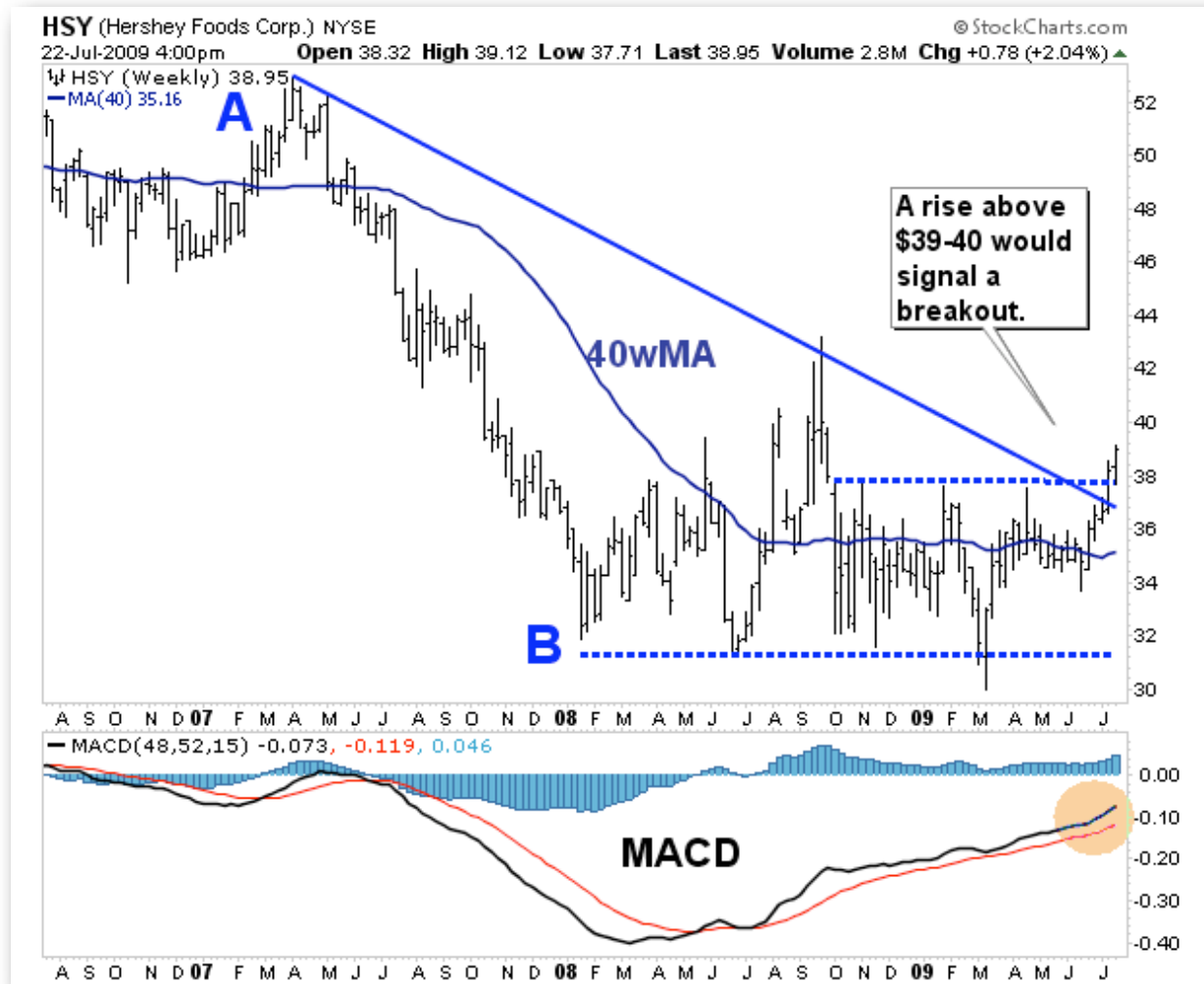


Hershey Foods (HSY: US\$40.89)

July 27, 2009

Target: \$49.00

Reversal Level: \$35.00



Hershey Foods has developed a large base.

Hershey declined from about \$56 in April 2007 to \$32 in January 2008 below a descending trendline (A-B - see solid line). The stock then settled into a horizontal trading range mostly between \$31 and \$38 (see dashed lines). A sustained rise above \$39-40 would signal the breakout from the large area of accumulation and above the descending trendline.

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 \$34-35 would cancel the potential breakout and suggest a return to the bottom of the trendline.

A rise above \$39-40 would signal technical targets of \$44 and \$49 (7% and 19% appreciation potential from current levels). The large area of accumulation supports higher targets.