

Natural Gas Services (NGS: US\$19.70)

March 10, 2008

Target: \$25.00

Reversal Level: \$18.00



Natural Gas Services completed a very bullish reversal pattern.

Natural Gas Services rallied from \$10.20 in May 2005 to \$35.23 in September 2005 (A-B). The stock then had a sharp decline completed with a very bullish Rounding Bottom formation (see chart). Recently the stock broke out above a major resistance zone between \$20 and \$21, rallied toward the \$24.00 level (C), and was followed by a pullback to its rising 200-day (40-week) moving average (D). Such a pullback offers an excellent buying opportunity.

Technical indicators confirm its bullish status: the 40-week (200-day) moving average is trending higher, the VSI shows positive momentum, and the MACD is rising (see lower panel). Only a decline below \$18 would reverse the positive status of this stock.

Chart measurements provide a target of \$25 (a 27% appreciation potential from current levels). Higher targets are also visible.