



Cliffs Natural Resources (EP: US\$51.69)

May 26, 2010

Target: \$89.00

Reversal Level: \$47.00



Cliffs Natural Resources returned to a favorable entry point.

Following a breakout from a large accumulation pattern (see dotted lines), Cliffs Natural Resources continued to rise above a long-term rising trendline (see solid line) and reached a high of \$76.17 (A). The stock pulled back toward its rising 40-week moving average recently for a much needed pause or correction (B). This retracement should provide a favorable entry point.

Technical indicators including the rising 40-week (200-day) moving average, the VSI, the long-term rising trendline (dotted line) and the MACD (see lower panel) confirm the bullish status. Only a decline below the 40wMA (currently at ±\$47) would reverse the current long-term up-side potential.

Technical measurements provide targets of \$79 and \$89 (52% and 72% appreciation potentials from current levels). The large area of accumulation (dashed lines) supports higher targets.