



Newmont Mining (NMC: \$59.90)

May 12, 2010

Target: \$84.00

Reversal Level: \$51.00



Newmont Mining is on the verge of a multi-year breakout.

From the high of \$71.62 in February 2006, Newmont Mining sold-off to \$44.75 in October of the same year. The stock then settled into a horizontal trading range mostly between \$42 and \$55 (left shoulder), declined and remained near \$30 for about one month (head) and then rallied and stayed in a horizontal range mostly between \$43 and \$59 (right shoulder). This price action produced a bullish technical pattern known as an inverse head-and-shoulder formation (dashed lines). A sustained rise above the neckline of this pattern (above \$60-61) would confirm the breakout and the start of a new major up-leg.

Technical indicators including the 40-week moving average, the VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below the 40-week moving average (currently at ±\$51) would reverse the positive status of this stock.

Point & Figure measurements provide initial targets of \$74 and \$84 (23% and 40% appreciation potentials from current levels). The large inverse head-and-shoulder formation supports significantly higher targets.