

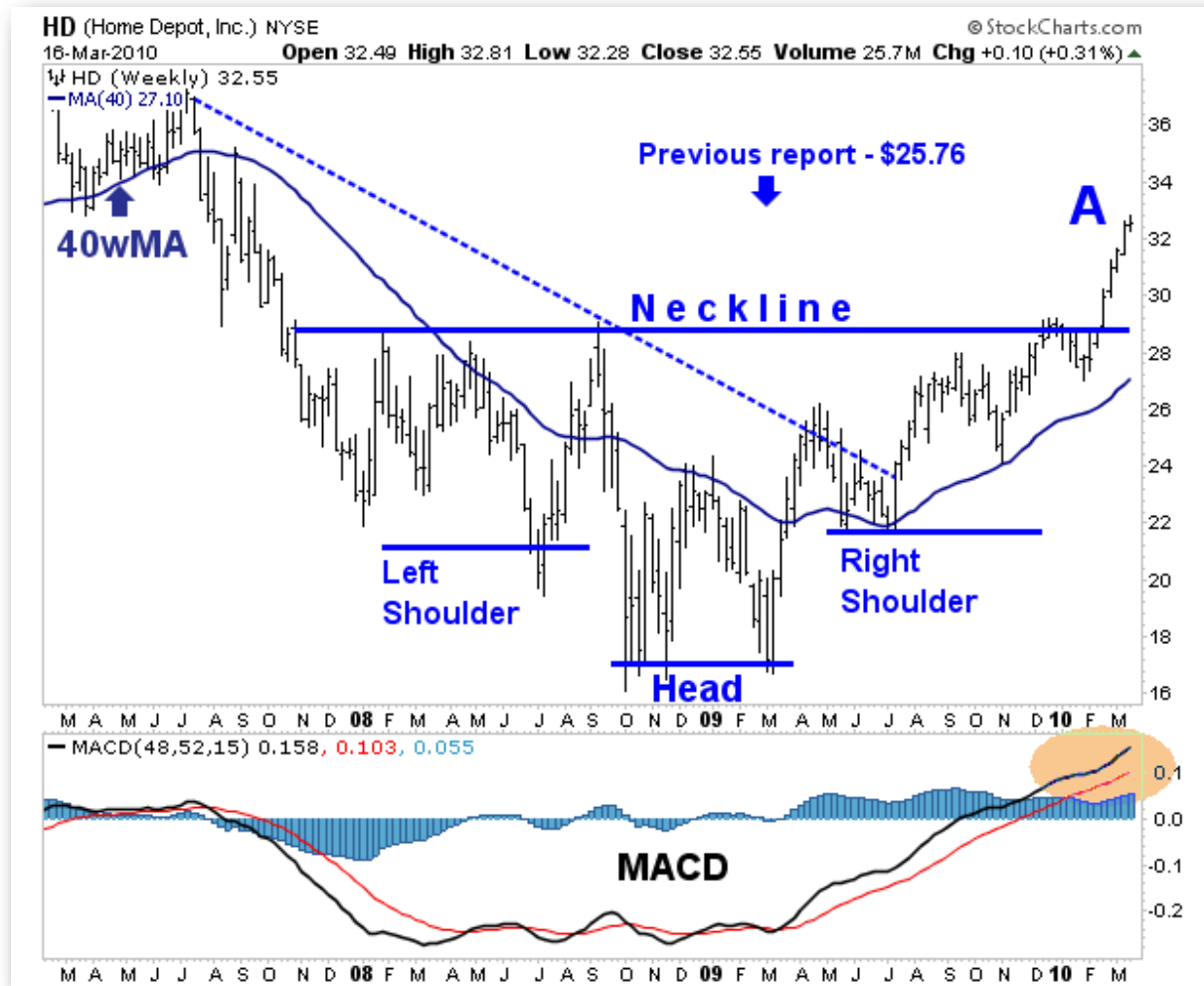


Home Depot (HD: US\$32.55)

March 16, 2010

Target: \$44.00

Reversal Level: \$27.00



Home Depot had a major breakout.

Following our "BUY" recommendation of April 24, 2009 (\$25.76), Home Depot had a series of higher highs and higher lows above a rising 40-week moving average. The recent high of \$32.55 (A) represents a breakout above the neckline of a bullish inverse head-and-shoulder formation (see solid lines) and signals the start of a new major up-leg.

Technical indicators including the rising 40-week (200-day) moving average, the VSI and the MACD (see lower panel) confirm the bullish status. A better buying opportunity may occur near \$30.00-30.50, but only a decline below the 40wMA (currently at ±\$27.00) would reverse the current long-term up-side potential.

Point & Figure measurements provide targets of \$39 and \$44 (19% and 35% appreciation potentials from current levels). The large inverse head-and-shoulder pattern (see solid lines) supports higher targets.