

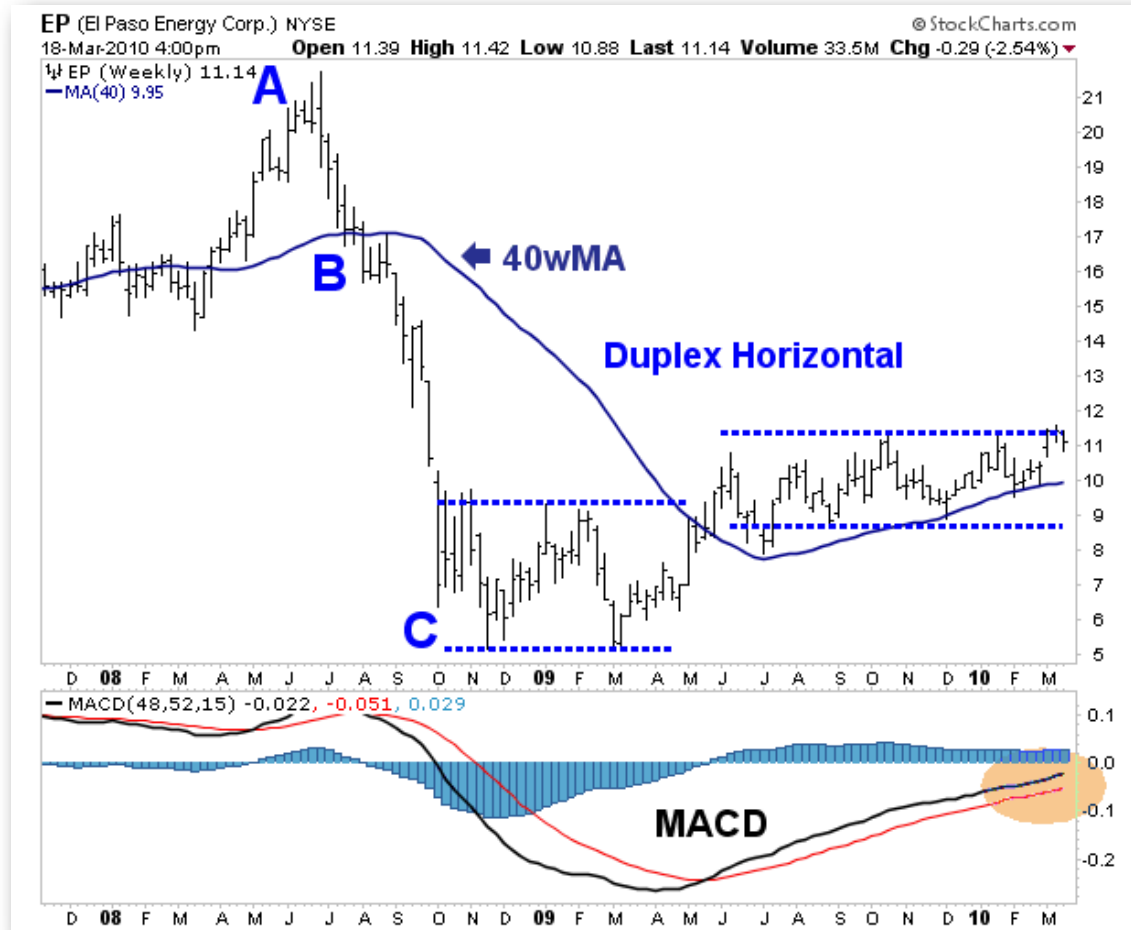


**El Paso (EP: US\$11.14)**

March 19, 2010

**Target: \$16.00**

Reversal Level: \$10.00



**El Paso is on the verge of a major breakout.**

Following the high of \$22.47 in July 2008 (A), El Paso had a sudden reversal, fell below its 40-week moving average (B) and then sold-off toward \$5 (C). From this low the stock settled into a horizontal trading range mostly between \$5.50 and \$9.50 and then another higher range mostly between \$8.75 and \$11.25 (see dashed lines). This price action produced a bullish technical pattern known as a *Duplex Horizontal*. A rise above \$12 would signal the breakout from this formation and 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. Only a decline below the 40wMA (currently at ±\$10) would suggest additional base building is required before the start of a new up-leg.

**A rise above \$12 would signal Point & Figure targets of \$14 and \$16 (25% and 43% appreciation potentials from current levels). The large Duplex Horizontal (see dashed lines) supports higher targets.**