



PULTEGROUP ON THE VERGE OF A MAJOR BREAKOUT

Sector: Consumer Discretionary – Homebuilding

(PHM-N: US\$23.18; Dividend: \$0.36; Yield: 1.55%; Weekly Chart from 2005)



PulteGroup declined from \$48 to \$9 (A-B), had a recovery rally to \pm \$24 (C), settled in a trading range mostly between \$6 and \$14 and then in another range between \$15 and \$24 (dashed lines). This price action produced a large bullish technical pattern known as a *Duplex Horizontal*.

The recent 52-week high (D) is bullish, but only a sustained rise above \$24-25 would confirm a breakout, renewed investor interest and the start of a new up-trend.

Behaviour indicators including the rising 40-week Moving Average (40wMA) confirm the positive status. The stock is somewhat overbought and may be subject to some minor profit taking toward \$21-22, but only a sustained decline below \pm \$20 would be negative.

A rise above \$24-25 would signal Point & Figure targets of \$28 and \$32 (12% and 28% appreciation potentials from breakout levels). The large *Duplex Horizontal* (dashed lines) supports significantly higher targets.

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