

# PHASES & CYCLES®

## AMERICAN EAGLE OUTFITTERS STATUS

**Sector: Consumer Discretionary – Apparel Retail**  
(AEO-N: US\$22.54 Dividend: \$0.55; Yield: 2.44%; Market Cap \$3.97B)



American Eagle Outfitters declined from about \$35 to \$7 from 2007 to 2008 (A-B) and then settled in a wide horizontal trading range mostly between \$10 and \$23 for about nine years (dashed lines).

For the moment the stock is quite far above its rising 40-week Moving Average (40wMA) and it is extremely overbought. Since there is good support at  $\pm$ \$19 and then again at \$17; such a correction would provide a good entry point.

A breakout above \$23-24 would be extremely positive and suggest higher targets.

Behaviour indicators including the rising 40wMA confirm the positive status. Only a sustained decline below  $\pm$ \$16 would be negative.

**A sustained rise above \$23-24 would signal Point & Figure targets of \$27 and \$29 (17% and 26% appreciation potentials from breakout levels). The large trading range (dashed lines) supports higher targets.**

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