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Pearson is one of the stocks we're watching closely this week as we've seen a number of Bullish price targets from various brokers, and would like to see if the Technicals agree on this. We hammered out a base back in October last year. We then went on to break above the falling trendline and following this we posted a higher high in March, then a higher low in July (the classic definition of an uptrend, see **Charles Dow**). The recent short term strength has also seen a gap higher (leaving **631** as key support), and a break of the long term 38.2% Fibonacci retracement (on the weekly chart) at **657.50** this week. So we're more than happily Bullish now, looking for a test of **708.50** (just above) and then **741.50** in the near term. We'd like to see a hold of **679.50** today to add weight to this argument.

Indicators in play.

Charles Dow defined the basic principles of a Bear market as one that is producing lower peaks and troughs on each swing. The opposite applies in a Bull market.



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Summary

We're now long following the break above **657.50**, with initial targets of **741**. Our stop would be below the 631 gap.