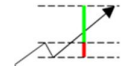


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“Quantitative approach for asymmetric results”



Telefonica daily chart

Just a quick “heads up” on TELEFONICA, the spanish telecom company.

The stock is now behaving with a typical path in technical analysis, a rectangular triangle, having the longer side as support. Such support is a major one so there is a possibility of greater weakness for this stock if violated.

Weakness is also present in the weekly and monthly chart, but cannot include in this quick analysis as I am headed the hospital. The “Ligne Maginot” is therefore eur 12.50 below which the continuation of the bearish scenario will unfold.

First target on the daily chart of the violation of eur 12.50 is eur 12.00, then the final target (daily) can be eur 11.26. In my mind there is anyway the possibility that the stock may go way below 11.26 looking on higher timeframes.

Alternative scenarios could be the violation up of the triangle (above eur 13.35) which would mean renewed strength for this stock, and possible targets are still the projection of the width of the triangle, which also coincides with important static resistances, as shown by my trend lines.



Mr. Maggioni has been working in the financial markets for the last 11 years covering different roles and working in tier 1 consulting companies and banks worldwide.

In recent years his studies have been focused on the psycho-emotional aspects of trading and how those aspects have an impact on traders' behavior.

Before starting this venture, he was head of a hedge fund desk at HSBC Private Bank in Monaco and before that he was employed at Credit Suisse Asset Management (CSAM) in Zurich covering the in-house single manager hedge funds.

Most of his experience in hedge funds was gained while working in a Swiss family office where he was in charge of the research and analysis as well as due diligence for US and European hedge funds. He also performed quantitative analysis and portfolio construction for several funds advised by the family office.

Prior to that he worked as an external consultant for KPMG Financial Services in the Milan office. In 2002 he has been hired by Ernst & Young LLP, San Francisco as auditor for hedge funds, auditing large single funds and fund of funds. In 2000 he joined Ernst & Young in Milan as an auditor for mid-sized companies.

Mr. Maggioni holds an MBA from IUM and a Portfolio Management degree from the University of Chicago GSB.



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