



The recession in Europe is over! We hear this mantra since Draghi started it in January. He was right on the matter, was just wrong on the timing. Timing is everything sometimes.

But this time is different, GDP results (Germany yesterday) today in France, Austria, Romania, Ungheria and in few minutes Europe overall are giving us the evidence we needed that Draghi was just early, not wrong.

If the economy is picking up, then better look at the most cyclicals sectors and stocks in order to fully take advantage of this trend inversion in the Europea economy.

The US are marching at quite an impressive steam, Japan has mixed results with its QE (but still over 2% GDP growth in 2Q), China is probably lagging but good news are arriving from increased price (and therefore demand) of Copper, which many see as a proxy for China.

For this reason I usually keep an eye of this German stock, Hamburger Hafen (ticker: HHFA) which is the listed company of the Hamburg Port, Europe's third biggest port (after Rotterdam and Antwerp) and main commercial hub for goods from and to Europe.

Looking at the monthly chart above, it seems that the stock is not yet pricing in the good news we are receiving, instead it appears to be in the middle of a bearish trend, yet to be finished.

First, I plotted the bearish resistance trendline above the lower highs and the information I am receiving is that HHFA hasn't yet broken such resistance and therefore no inversion on the horizon yet.

Copying such trendline and pasting it at the 2011 year low gives an indication of possible bearish trend continuation.

However from early 2012 the stock is inserted in a sideways movement between 17 and 22 euros which may signal an accumulation process before starting a new bullish trend: this will be confirmed only by breaking the bearish trendline, at least.

From the high of 2012 the stock however has produced a bearish rectangular triangle which is happening with a current overbought pattern highlighted by the CCI 20 periods (not a fast one, so more reliable).

So the situation is indecisive but potentially can produce soon an important new trend for this stock.

If the current support around 16,50 euros will be broken, then a potential bearish target is the projection of the height of the triangle which by "coincidence" is the terminal point of the bearish channel in which the stock is inserted: 5 euros.

If instead the stock will move out in the upper side of the channel, possible bullish target are highlighted by the static resistance (purple lines) and in order there are:

- 22,15 euros (high of September 2012 candle also);
- 27,02 euros (high of February 2012 candle also and level of approximately 24 months between 2009 and 2011);
- 32,94 euros (high of July 2009 and level for 7 months in 2011).

An interesting strategy to be put in place could also be a mix of exposure of stock and options.



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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.

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