

COMMENTARY

Indices

The Polish [Wig20](#), the Czech [Px50](#) and the Hungarian [Bux](#) index remain in uptrend but are currently well overbought and in need of a pullback.

The Russian [Crtx](#) index on the other hand is in correction mode after the strong declines in the first half of this year. Further strength towards levels around 1100 and even 1200 are possible.

Stocks

The same can be said about the individual stocks.

The best looking charts are:

- in the Czech Republic: Cez and Unipetrol
- in Hungary: Mol Magyar and OTP Bank
- in Poland: Agora, Orlen and KGHM Polska Miedz
- in Russia: five out of six (although in need of a pullback); exception is Yukos

OVERVIEW OF ALL STOCKS

Technical analyst

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<u>POLAND</u>		<u>CZECH REPUBLIC</u>		<u>HUNGARY</u>	
STOCK	Current Rating	STOCK	Current Rating	STOCK	Current Rating
<u>AGORA</u>	Buy	<u>CESKE RAD</u>	Sell Strength	<u>MATAV</u>	Sell
<u>BRE BANK</u>	Sell Strength	<u>CESKY TEL</u>	Sell	<u>MOL</u>	Neutral
<u>COMPUTERL</u>	Sell Strength	<u>CEZ</u>	Take profits	<u>OTP BANK</u>	Sell Strength
<u>KGHM P MIED</u>	Buy weakness	<u>ERSTE BK</u>	Go with break	<u>G RICHTER</u>	Buy weakness
<u>MILLENIUM</u>	Buy weakness	<u>KOMERCNI</u>	Neutral		
<u>ORBIS</u>	Sell Strength	<u>PHIL MORR</u>	Neutral	<u>RUSSIA</u>	
<u>PEKAO</u>	Sell Strength	<u>UNIPETROL</u>	Take profits		
<u>P KONC NAFT</u>	Take profits			<u>GAZPROM</u>	Go with break
<u>PROKOM SOF</u>	Go with break			<u>NORILSK</u>	Go with break
<u>PRZEMYSLO</u>	Sell Strength			<u>LUKOIL</u>	Go with break
<u>SOFTBANK</u>	Sell Strength			<u>SURGUT</u>	Go with break
<u>TELEKOM PO</u>	Sell			<u>UES</u>	Go with break
<u>ZACHODNI</u>	Go with break			<u>YUKOS</u>	Sell Strength

BACK TO TOP

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WIG20 ↑ **1790.87** -6.33 ↓ **Index G**
 At 11:45 Op 1795.75 Hi 1807.28 Lo 1786.37 Prev 1797.20

Worksheet List Edit Options G 33 - WEEK MACD + RSI

WIG20 - WSE WIG 20 INDEX G33 Weekly 12/22/00 to 9/15/04



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2004 Bloomberg L.P.
 6761-375-1 14-Sep-04 12:01:27

WEEKLY CHART

Trend: UP
Major resistance: 1850/1920
Initial resistance: 1810
Initial support: 1695
Major support: 1640

The index remains in uptrend, but technical indicators are a bit overbought on weekly (outside of the Bollinger band) and daily charts.

Some kind of pullback is due, probably in the direction of **1695/1735**.

As long as the price trades above **1640**, the long-term trend is up.

[NEXT PAGE](#)

BACK TO: [TOP](#) or [OVERVIEW](#)

PX50 842.10Y as of close 9/10 Index G

Worksheet List Edit Options G 23 - MAAND MACD/RSI

PX50 - PRAGUE STOCK EXCH PX 50 G23 Monthly 42994 to 9/10/04



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2004 Bloomberg L.P.
 6487-988-0 11-Sep-04 9:58:33

MONTHLY CHART

Trend: UP
 Major resistance: 1002 (ATH)
 Initial resistance: 855
 Initial support: 810/25
 Major support: 730

The index broke above the previous major resistance zone 730/66 (now support) and rebounded again from the lower level after retest in May.

Technical indicators are currently a bit overbought on weekly and daily charts. Thus it would not be surprising to see another pullback, probably in the direction of 810/30 before the up trend resumes. Weakness below this area would have more bearish implications.

[NEXT PAGE](#)

BACK TO: [TOP](#) or [OVERVIEW](#)



WEEKLY CHART

Trend: UP
Major resistance: 14000/14300
Initial resistance: 12363 (ATH)
Initial support: 11665/11830
Major support: 10275

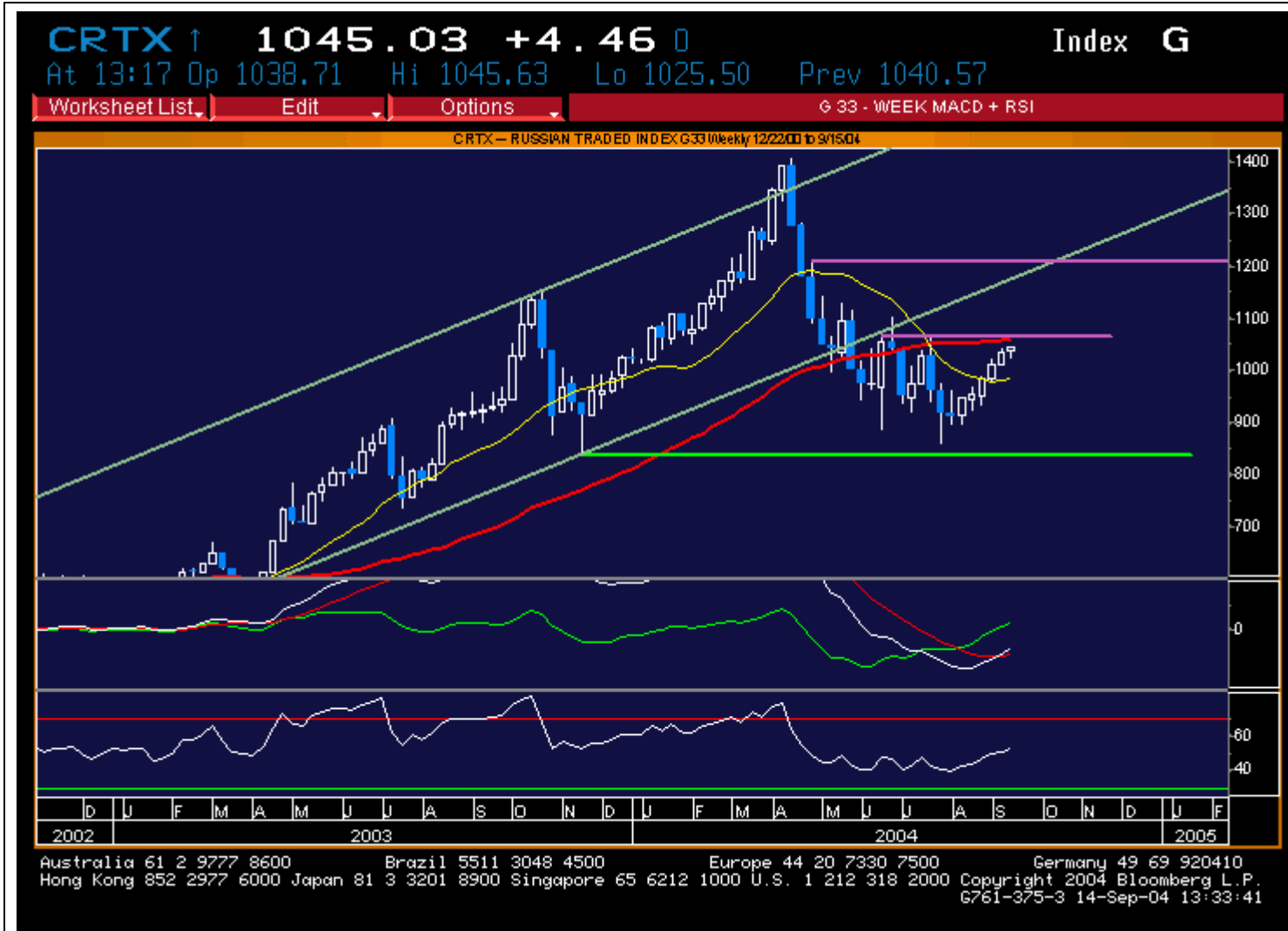
The index remains in an uptrend after bounce from major support 10270.

Prices reached the upper trend channel line and momentum starts to lag the price, which may warn a larger pullback is going to unfold. However, we need to see a decline under initial support to confirm. A break under 11665 would initiate further weakness towards major support.

Renewed strength above 12363 sees further gains.

[NEXT PAGE](#)

BACK TO: [TOP](#) or [OVERVIEW](#)



WEEKLY CHART

Trend: UP
Major resistance: 1215
Initial resistance: 1066/1100
Initial support: 995/1000
Major support: 960

The decline from the high was quite impulsive and indicates a very important top has been set.

Resistance for the current bounce are located at 1065, 1130 and 1215 (major).

The index looks good for further gains over time, but is currently a bit overbought. A pullback seems likely towards 995/1000.

A drop under this area would be worrying.

NEXT PAGE

BACK TO: TOP or OVERVIEW

AGORA (Media)



Trend: UP above 50.00 - **OUTPERFORMER**
RECOMMENDATION: BUY
Initial support: 50/51 *Initial resistance:* 56/57
Major support: 39.60 *Major resistance:* 59.40

Commentary: Trend remains up towards 56/57. Watch out for reversal at that area. Stop is 50

[NEXT PAGE](#)

BRE BANK



Trend: bearish triangle pattern - **UNDERPERFORMER**
RECOMMENDATION: SELL STRENGTH
Initial support: 101 *Initial resistance:* 105/9
Major support: 93.40 *Major resistance:* 115.98

Commentary: the 105/9 area is now resistance for renewed weakness below 95. Upside seems limited. Renewed weakness below 101 confirms the move down towards 80/85

[TOP](#) or [OVERVIEW](#)

COMPUTERLAND

KGHM POLSKA MIEDZ (Copper, Silver mines)



Trend: UP- Getting topish - UNDERPERFORMER
RECOMMENDATION: SELL STRENGTH
Initial support: 112 **Initial resistance:** 118
Major support: 99.20/104 **Major resistance:** 121.50/124

Trend: UP – Overbought - OUTPERFORMER
RECOMMENDATION: BUY WEAKNESS
Initial support: 31/31.70 **Initial resistance:** 33.00
Major support: 23.30/25.40 **Major resistance:** 35.30

Commentary: ascending triangle pattern and negative divergence on the weekly chart warns for pullback towards major support. Below 112 confirms

Commentary: prices are testing initial resistance while technical indicators show overbought readings. A pullback is likely towards initial support; a buying opportunity. Stop 31.00

[NEXT PAGE](#)

[TOP](#) or [OVERVIEW](#)

BANK MILLENIUM

ORBIS (Hotels, restaurant svcs)



Trend: Sideways - Slight **OUTPERFORMER**
RECOMMENDATION: BUY WEAKNESS
Initial support: 2.75/80 *Initial resistance: 3.25/50*
Major support: 2.40/60 *Major resistance: 4.00*

Commentary: a pullback is on its way to 2.80; this level will probably hold for further gains towards initial resistance. With weakness below 2.80, 2.40 comes into focus.

[NEXT PAGE](#)

Trend: Sideways - **UNDERPERFORMER**
RECOMMENDATION: SELL STRENGTH
Initial support: 22.80 *Initial resistance: 24.50*
Major support: 20.50/21.50 *Major resistance: 25.50/26*

Commentary: a bounce towards 24/24.50 may be seen over the next week or so before this stock turns down in the direction of 20.5/21.50. A drop under 22.80 confirms.

[TOP](#) or [OVERVIEW](#)

BANK PEKAO

POLSKI KONCERN NAFTOWY ORLEN (Oil prod)



Trend: UP - toppish - UNDERPERFORMER
RECOMMENDATION: SELL STRENGTH
 Initial support: 118.80 Initial resistance: 126/30
 Major support: 107/8 Major resistance: 145

Trend: UP - OUTPERFORMER
RECOMMENDATION: TAKE (some) PROFITS
 Initial support: 33/33.40 Initial resistance: 35/36.50
 Major support: 30 Major resistance: 39/40

Commentary: overbought on daily chart en near weekly resistance area. Upside is limited and a pullback is on its way. Key support is 113.70/114.50.

Commentary: Strong uptrend, but overbought on monthly, weekly and daily charts. Trend remains intact but needs to hold above initial support to see further gains.

[NEXT PAGE](#)

[TOP](#) or [OVERVIEW](#)

PROKOM SOFTWARE



Trend: UP – in range - UNDERPERFORMER
RECOMMENDATION: GO WITH BREAK
Initial support: 164/5 **Initial resistance:** 173.50
Major support: 154.50 **Major resistance:** 190/200

Commentary: test of 173.50 likely; with move above, rally can extend towards major resistance. On the other hand, a decline under initial support would be very bearish. Neutral in between

[NEXT PAGE](#)

BANK PRZEMYSLOWO-HANDLOWY PBK



Trend: UP - NEUTRAL in performance
RECOMMENDATION: SELL STRENGTH
Initial support: 420/5 **Initial resistance:** 450/5
Major support: 360/5 **Major resistance:** 472

Commentary: with daily technicals overbought, test of trend broken channel support (now resistance around 450) will likely fail. Look for pullback towards initial support.

[TOP](#) or [OVERVIEW](#)

SOFTBANK

TELEKOMUNIKACJA POLSKA



Trend: NEUTRAL - Slight OUTPERFORMANCE
RECOMMENDATION: SELL STRENGTH
Initial support: 20/21 Initial resistance: 25.60
Major support: 17.20/5 Major resistance: 30.00/33.70

Commentary: the rally from the low is finished and a pullback is due towards initial support. Possibly a buying opportunity for a rally above the recent high.

[NEXT PAGE](#)

Trend: NEUTRAL - UNDERPERFORMER
RECOMMENDATION: SELL
Initial support: 14.35 Initial resistance: 14.85/15
Major support: 13/13.25 Major resistance: 15.45

Commentary: bearish flag formation on the daily chart suggests resumption of decline towards major support. Decline under 14.35 confirms. Initial resistance should hold.

[TOP](#) or [OVERVIEW](#)

BANK ZACHODNI WBK

CESKE RADIOKOMUNIKACE



Trend: UP - UNDERPERFORMER
RECOMMENDATION: GO WITH BREAK
Initial support: 78.00 Initial resistance: 84.00
Major support: 74.00 Major resistance: 87.00

Trend: UP - UNDERPERFORMER
RECOMMENDATION: SELL STRENGTH
Initial support: 430 Initial resistance: 450/65
Major support: 380/98 Major resistance: 477/82

Commentary: essentially in a 75/87 range for a year now. Smaller range is 78/84. Wait for breakout.

Commentary: it looks as if nearby resistance 450/65 will stop the advance since June. Renewed weakness below 430 turns the trend back down towards major support.

[NEXT PAGE](#)

[TOP](#) or [OVERVIEW](#)

CESKY TELECOM

CEZ (Electricity producer)



Trend: Sideways

- UNDERPERFORMER

RECOMMENDATION: SELL

Initial support: 315-330

Initial resistance: 358.50

Major support: 285/300

Major resistance: 375/85

Commentary: a three-year triangle pattern is close to ending but and an initial decline should reach 315, where a bounce can occur

[NEXT PAGE](#)

Trend: UP

- OUTPERFORMER

RECOMMENDATION: TAKE SOME PROFITS

Initial support: 215/22

Initial resistance: 250

Major support: 160/66

Major resistance: 216

Commentary: strong uptrend, but a pullback towards initial support will be necessary to cool off technical indicators. Trend will likely extend afterwards.

[TOP](#) or [OVERVIEW](#)

ERSTE BANK



Trend: UP - **UNDERPERFORMER**
RECOMMENDATION: GO WITH BREAK
 Initial support: 987 Initial resistance: 1030/55
 Major support: 940 Major resistance: 1100

Commentary: 1100 looks very strong overhead resistance, while trend line support looks very strong as well. So trading range; smaller range is 987/1055. Wait for breakout.

[NEXT PAGE](#)

KOMERCNI BANKA



Trend: UP - **NEUTRAL**
RECOMMENDATION: NEUTRAL
 Initial support: 2835 Initial resistance: 3055/80
 Major support: 2400-2500 Major resistance: 3442

Commentary: test of initial resistance seems likely; break above would be very positive. Keep an eye on initial support in case sudden reversal takes place.

[TOP](#) or [OVERVIEW](#)

PHILIP MORRIS

TABAK CP CZK **15179** +214 K P15120/15190P Equity **G**
 DELAY Vol 5,318 Op 15079 K Hi 15190 \$ Lo 14760 K ValTrd 79748944



Trend: DOWN - **UNDERPERFORMER**
RECOMMENDATION: NEUTRAL
Initial support: 14500 *Initial resistance: 15600/16100*
Major support: 13000 *Major resistance: 17300*

Commentary: the stock is bouncing from the recent low and is getting closer to resistance. Needs to break above that area to see more gains towards major resistance. Watch 14500

[NEXT PAGE](#)

UNIPETROL

UNIP CP CZK C **84.85** +.11 \$ P84.71/85P Equity **G**
 As of Sep10 DELAYED Vol 93,942 Op 84.6 \$ Hi 85 K Lo 84.31 K



Trend: UP - **OUTPERFORMER**
RECOMMENDATION: TAKE PROFITS
Initial support: 76.20 *Initial resistance: 82/85*
Major support: 55.40/59.30 *Major resistance: 105/110*

Commentary: negative divergences on this chart and overbought character on the daily chart starts to warn for a top. However, stock needs to drop under 84 and 82 to confirm

[TOP](#) or [OVERVIEW](#)

MATAV MAGYAR TAVKOSLESI (Telecom svcs)

MOL MAGYAR OLAY- ES GAZIPARI (Oil&Gas)



Trend: SIDEWAYS - UNDERPERFORMER
RECOMMENDATION: SELL
 Initial support: 760/70 Major support: 709
 Initial resistance: 830 - 865 Major resistance: 966

Trend: UP - toppish? - OUTPERFORMER - ending?
RECOMMENDATION: NEUTRAL
 Initial support: 8785 - 9100 Major support: 7350/7500
 Initial resistance: 9450/9500 Major resistance: ?

Commentary: further decline towards initial support (includes green trend line) and even major support seems in the cards. Only above 865 eases downside pressure.

Commentary: strongly overbought for quite a while (rsi month 77, week 82), but favorable oil prices underpin. Price has reached chart resistance. Above 9100 trend remains up.

[NEXT PAGE](#)

[TOP](#) or [OVERVIEW](#)

OTP BANK

OTP HB HUF C **4305** -45 B B4309/4349B 245x10 Equity G
 As of Sep10 DELAYED Vol 700,776 Op 4340 B Hi 4360 B Lo 4285 B



Trend: UP - Starts **UNDERPERFORMING**
RECOMMENDATION: SELL STRENGTH
 Initial support: 4055/60 Initial resistance: 4484
 Major support: 3650/3750 Major resistance: 4580

Commentary: another medium-term top is forming; watch 4200 for pullback to initial support. And again, this may become a buying opportunity for new highs well above 4580.

[NEXT PAGE](#)

GIDEON RICHTER

RICHT HB HUF C **21900** -45 B B21770/22300B 278x25 Equity G
 As of Sep10 DELAYED Vol 13,871 Op 21800 B Hi 22150 B Lo 21780 B



Trend: UP - **OUTPERFORMER**
RECOMMENDATION: BUY WEAKNESS
 Initial support: 20800/21600 Initial resistance: 23700/24000
 Major support: 17280 Major resistance: 27450

Commentary: close to key resistance. Break above would be bullish, but gather we need to see a pullback first towards initial support to cool off overbought daily technicals.

[TOP](#) or [OVERVIEW](#)

GAZPROM

OGZD LI \$ I AT **36.40** -.15 I 136.25/36.60I Trd 36.40 Equity G
 DELAY Vol 253,820 Op 36.70 I Hi 37.00 I Lo 36.40 I ValTrd 9479862



Trend: UP - **OUTPERFORMER**
RECOMMENDATION: GO WITH BREAK
Initial support: 33.81 *Initial resistance: 38*
Major support: 31 *Major resistance: 39.65*

Commentary: although in uptrend, this week's candlestick suggests uncertainty. Range bound 31/40, narrower 33.81/38; a break out of this range will announce the next big move.

[NEXT PAGE](#)

MMC NORILSK NICKEL

MNOD LI \$ C cAT **57.30** +.70 I 157.30/57.50I Trd 57.00 Equity G
 As of Sep10 DELAYED Vol 424,187 Op 57.50 I Hi 57.60 I Lo 56.80 I



Trend: Sideways - **OUTPERFORMER**
RECOMMENDATION: GO WITH BREAK
Initial support: 50 *Initial resistance: 63*
Major support: 43.90 *Major resistance: 68/72*

Commentary: pullback towards 55 looks likely; as long as it holds further extension towards at least 63 will be seen. A failure at 55 suggests a return to initial support, at least.

[TOP](#) or [OVERVIEW](#)

LUKOIL



Trend: UP - OUTPERFORMER
RECOMMENDATION: GO WITH BREAK
Initial support: 113/15 *Initial resistance: 119/21*
Major support: 95-98 *Major resistance: 133.25*

Commentary: the price is close initial resistance; a sustained break above that area is bullish for retest of the April high. Failure here (under 117.75) indicates pullback to 113/15

[NEXT PAGE](#)

SURGUTNEFTEGAZ



Trend: UP - OUTPERFORMER
RECOMMENDATION: GO WITH BREAK
Initial support: 33.50/34.50 *Initial resistance: 37.40*
Major support: 29.50 *Major resistance: 39.75*

Commentary: negative divergence on daily charts suggests at least a pullback should follow from current or somewhat higher levels. If the trend is up then initial support should hold

[TOP](#) or [OVERVIEW](#)

UNIFIED ENERGY SYSTEM

UESD LI \$ **↓ AT 28.20** unch I 128.00/28.35I Trd 28.20 Equity **G**
 DELAY Vol 25,000 Op 28.35 I Hi 28.35 I Lo 28.20 I ValTrd 566250



Trend: Sideways - **OUTPERFORMER**
RECOMMENDATION: GO WITH BREAK
Initial support: 24.90/25.60 *Initial resistance: 30/32*
Major support: 18 - 21 *Major resistance: 34.65/35.25*

Commentary: this stock rebounded strongly major support and is going to test initial resistance. Strength above would be bullish. Failure should see retest of initial support.

YUKOS

YUK LI \$ **C cAT 17.40** +1.26 I 117.35/17.40I Trd 17.41 Equity **G**
 As of Sep10 DELAYED Vol 2,148,040 Op 17.15 I Hi 17.75 I Lo 15.80 I



Trend: DOWN - **UNDERPERFORMER**
RECOMMENDATION: SELL STRENGTH
Initial support: 10.75 - 13 *Initial resistance: 17.40 - 19/22*
Major support: 2 - 8.8 *Major resistance: 24.80*

Commentary: in sideways consolidation 13/19 after the July collapse. As long as the price remains below 17.40 the trend is down towards next supports. Above that level sees 19/22 test

[TOP](#) or [OVERVIEW](#)

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