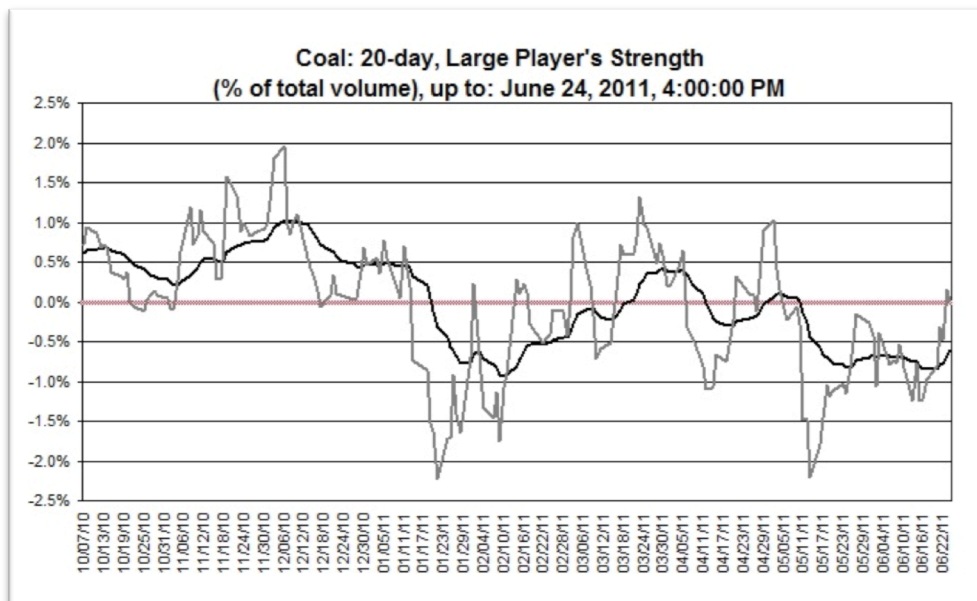


Stock: Alpha Natural Resources (ANR)  
Setup: Best Thrust + AB buy signal  
Date: 6/26/2011  
Entry: 42.71  
Stop: 41.30

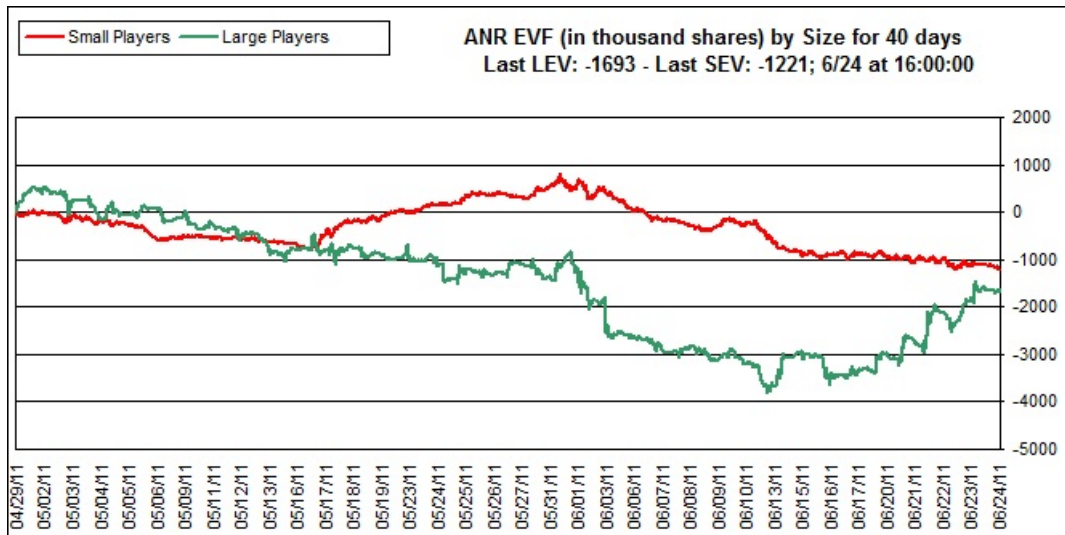
**Description:** Alpha Natural Resources, Inc. (Alpha) is a coal supplier in the United States. The Company is a supplier and exporter of metallurgical coal for use in the steel-making process, and a supplier of thermal coal to electric utilities and manufacturing industries. ANR has corrected +30% from the highs reached during the previous rally. ANR displays three major down waves, reaching a level of prior support that coincides with a previous base breakout around the 40-level. This type of long works best when a buy signal from the 20 day MF has been recently issued and shorts begin to cover moving up from deep oversold conditions.

**Effective Volume:**

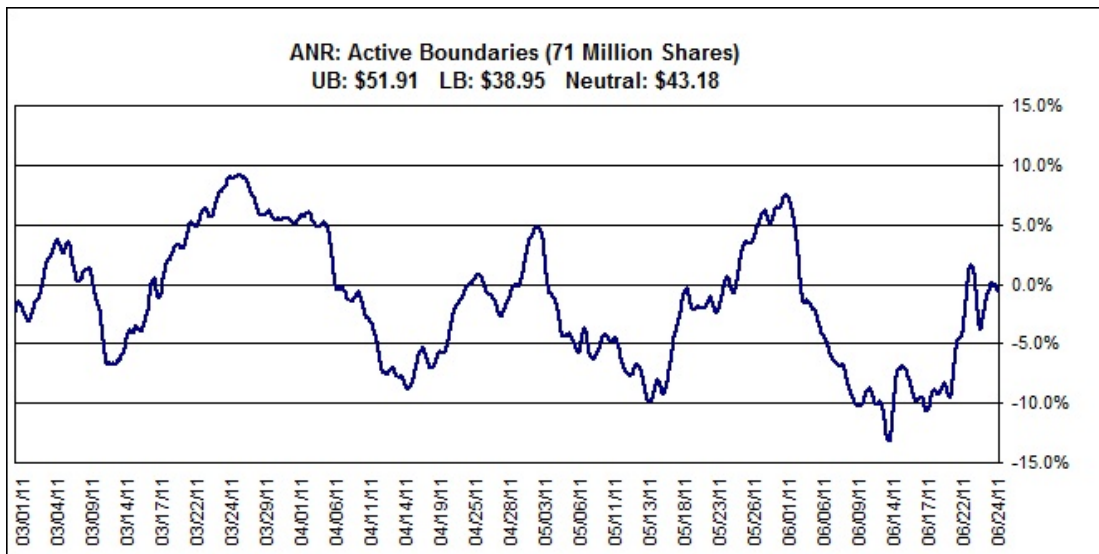
ANR belongs to the coal sector, which has just flashed a buy signal, with the average turning up and LP strength crossing above the 0 line.



Next, ANR's LEV pattern shows the large players have stepped up accumulation into the throes of the most recent selling wave.



Active Boundaries shows a price level just above LB, creating a good entry just above LB, but nominally below NB.



**Technical Analysis:**

ANR is trading below the 50-day and 200-day MA; however, when the 20-day MF issues a buy signal and the OB/OS oscillator is moving up from below -80, then shorts are likely beginning to cover, which can cause a sharp rally. The upper AB around 51 also coincides with the 50 and 200 day MA's. These MA's will likely meet selling, as ANR works to form a base.

Daily Chart with 50 and 200-day MA overlay:



(Continued on page 4)

The weekly chart reveals the last base that launched a rally formed between the high 30's and low 40's. The confirming signals from the sector and 20 day MF in conjunction with LB support, makes me expects long-term or value investors to step up accumulation while offering a temporary floor and a tradeable bounce.

Weekly chart displays 2010 base that attracted buyers over a series of months prior to launching the previous rally:



**Summary:** Trading in the direction of the 20-day MF, coming off of oversold levels, and confirmation from the sector and LEV, ANR is a high-probability trading opportunity with a great risk-reward profile. The initial stop coincides with a level just below the 6/23 intraday lows. The target will adjust based on EV readings and market conditions, but I expect a gain of 4-6% as ANR bounces into resistance.