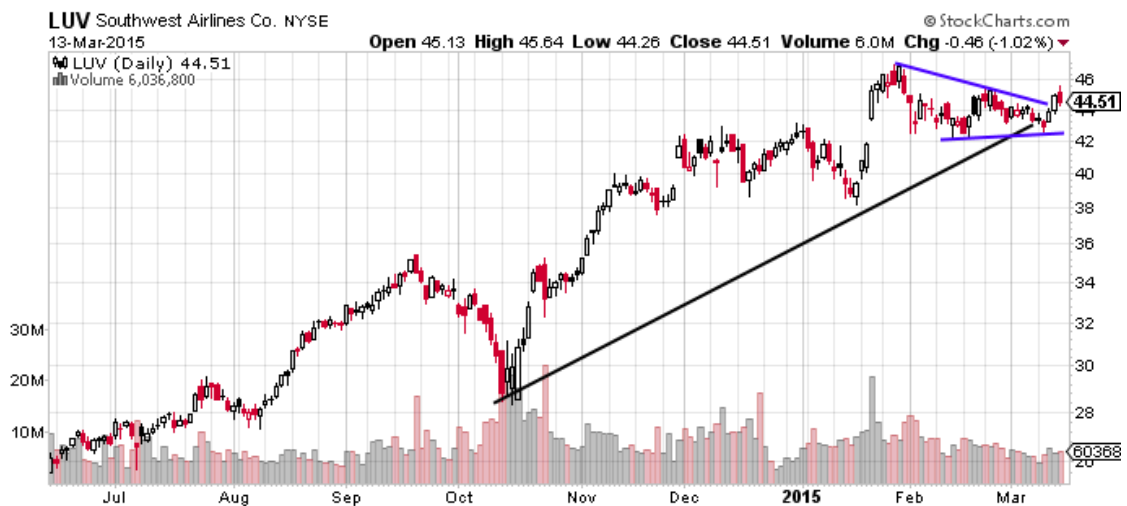


Why You Should Buy These Uptrending Stocks (LUV, CHD)

Tickers in this article: [LUV](#), [CHD](#), [HNT](#), [WRI](#)

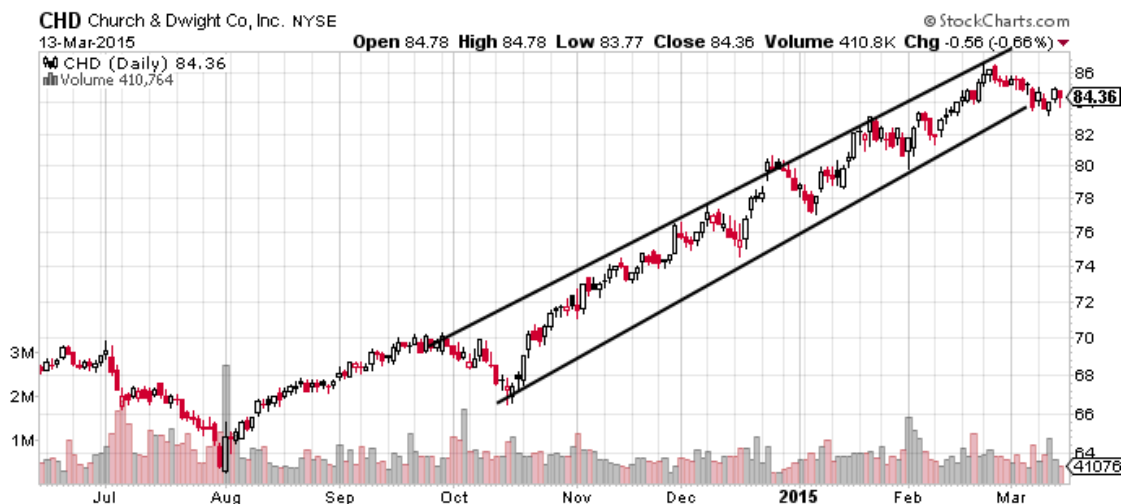
A pullback within a well defined uptrend presents a favorable buying opportunity if certain conditions materialize. The price should pull back to [support](#), which has been respected in the past — this could be a moving average, indicator level or [trendline](#). Then, the price needs to respect that support area on this pullback. This is shown by the price consolidating and bouncing off the support area. Here four stocks currently exhibiting this type of trade setup.

Southwest Airlines Co. ([LUV](#))



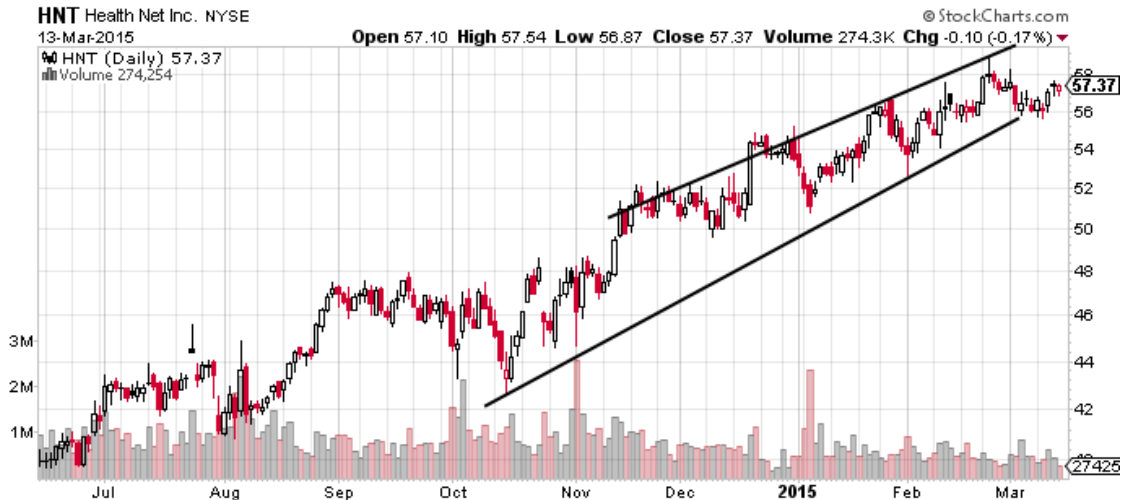
Southwest Airlines Co. ([LUV](#)): Connect the October low to the January low to create a trendline which shows a potential support area. Price movement in February created a [triangle pattern](#), with the bottom of that pattern touching the trendline. The move higher on March 12 broke above the triangle pattern and showed the price was bouncing off the trendline. Look to buy between \$44.05 and \$44.25, right near the [breakout](#) point of the triangle. Place a [stop loss](#) below the March 10 [swing low](#) of \$42.56. Take profits at \$48.25 and/or \$49. The latter is the target based on the size of the triangle (added to breakout point). Both targets provide a greater than 2:1 reward-to-risk ratio. (For related reading, see: [4 Swing Trades Waiting for a Move Higher or Lower.](#))

Church & Dwight Co. Inc. ([CHD](#))



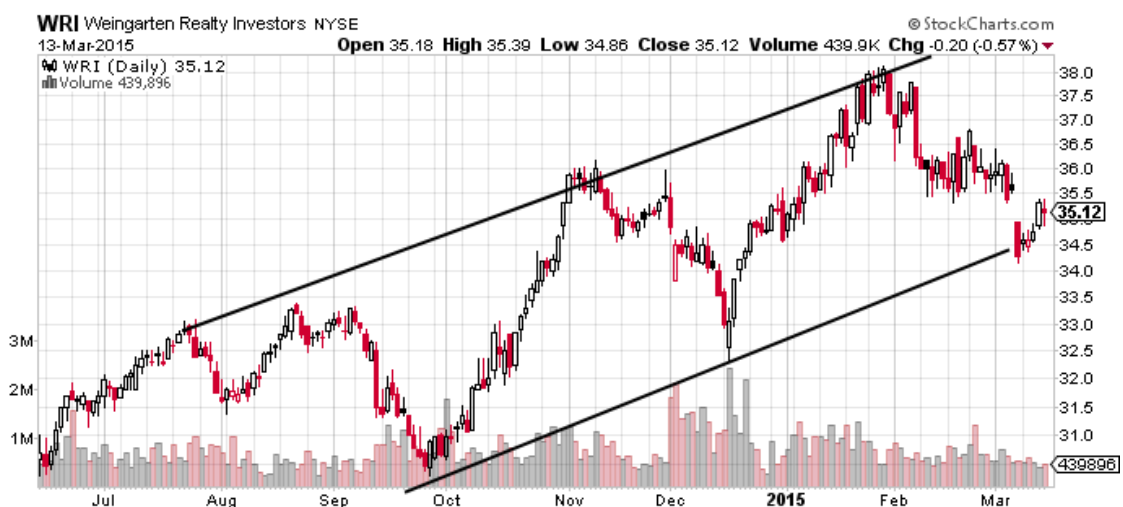
Church & Dwight Co. Inc. ([CHD](#)) is in a strong upward trend channel going back to October. The early March pullback brought the price right to channel support. Buy between \$84.20 and \$84.05 with a [stop loss](#) just below the March 11 low of \$83.15. A conservative target is \$86.70, just above the 52-week high of \$86.57. A more aggressive target is \$88, at the top of the trend channel. (For more, see: [Will These Uptrending Stocks to Rally Further?](#))

Health Net, Inc. ([HNT](#))



Health Net, Inc. ([HNT](#)) is also trading near trendline support. Between March 4 and March 10 its price moved sideways, right in the territory of the trendline. The push higher between March 11 and 13 indicates support has held once again. Buy near the top of the sideways [consolidation](#) — between \$56.80 and \$56.40 — with a stop loss below the consolidation low of \$55.61. Take profit at \$59.05, slightly above the the \$58.91 52-week high. An alternative target is \$59.60; that's right at the top of the trend channel where the price has shown a tendency to pullback from.

Weingarten Realty Investors ([WRI](#))



The big price swings going back to January 2014 in Weingarten Realty Investors ([WRI](#)) have a created a wide [ascending trend channel](#). The trendline marking the support region has been tested multiple times, and looks to still be providing support based on the most recent price decline in March. The

price moved sideways on March 9 and March 10, before popping higher on March 11. The bounce off support indicates the price could head toward the top of the wide price channel. Buy between \$35 and \$34.75, with a stop loss below the March low of \$34.16. Take profit at \$37.75, this is below the 52-week high of \$38.48, but still provides a great risk/reward ratio. If looking for a longer-term trade, aim for a target near \$39. That is near the top of the trend channel, and while waiting for the target to get hit collect the 3.93% [dividend yield](#). (For more, see: [What are the main strategies traders execute when using ascending channels?](#))