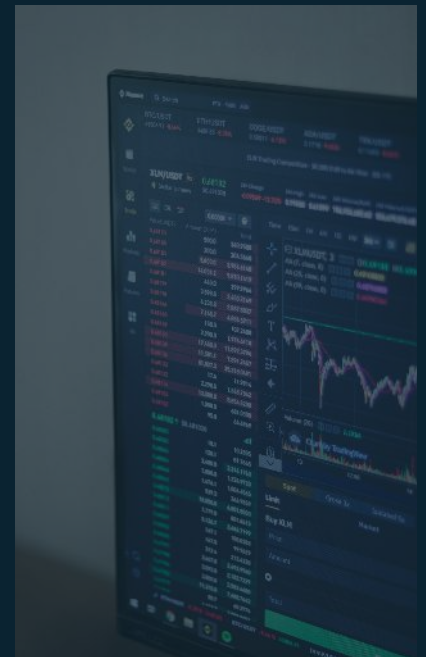


# Chart-in-Focus

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## Dentistry Dynamics: This Stock Shows Strong Technical Momentum

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## Chart-in-Focus: Dentistry Dynamics: This Stock Shows Strong Technical Momentum

**Align Technology, Inc. (ALGN)** is an industry trailblazer focused on designing, producing, and marketing advanced orthodontic, restorative, and aesthetic dentistry products. Its operations encompass two key segments: Clear Aligner and Scanner and Services.

Within the Clear Aligner category, Align Technology offers a diverse range of transformative products, notably the Invisalign suite catering to various needs such as full treatment, teenage orthodontic solutions, and specialized assist products. This segment also includes Vivera retainers, pivotal for addressing malocclusion issues effectively. Complementing this, the Scanner and Services segment introduces advanced intraoral scanning systems, featuring singular hardware platforms seamlessly integrated with orthodontic and restorative software. This domain extends to ancillary products and supplementary services, providing a holistic dental ecosystem.

Founded in March 1997 by Zia Chishti, Brian Freyburger, and Kelsey Wirth, Align Technology is headquartered in Tempe, AZ. It is recognized for its innovative contributions, particularly in the fusion of clear aligner therapy, intra-



oral scanning precision, and CAD/CAM digital expertise tailored for dentistry, orthodontics, and secure record-keeping. At its core, Align Technology's revolutionary clear aligner system discreetly addresses malocclusion using nearly invisible, removable appliances. These appliances gently guide teeth to desired positions, redefining inconspicuous orthodontic transformation.

The company operates across two pivotal sectors: the renowned Invisalign system within the Clear Aligner segment, revolutionizing orthodontics, and the CAD/CAM Services segment, featuring acclaimed iTero intra-oral scanners and OrthoCAD services, showcasing Align Technology's commitment to cutting-edge digital dental solutions.

*TXN is a part of NASDAQ 100, S&P500, S&P100, and S&P500 Healthcare Index among others*

## Technical Analysis

Up until 2023, ALGN has demonstrated a commendable performance, significantly surpassing the broader S&P 500 index in terms of relative performance. Over the last three months alone, ALGN stock has yielded a remarkable return of over 30%. Assessing the year-to-date performance, the outperformance continues, with ALGN posting an impressive 74.70% return compared to SPX's 18.06% over the same period.

An analysis of Align Technology Inc.'s technical charts reveals an encouraging outlook. Following the pandemic-induced lows of around 127 in March 2020, the stock embarked on a robust upward trajectory. The uptrend led ALGN to reach a peak of 731 in September 2021. Subsequently, a corrective downtrend ensued, resulting in a 42% decline from its peak.



During the downtrend phase spanning June to November 2022, a notable bullish divergence of the RSI against the price emerged, signaling a potential shift. By November 2022, the stock established a foundation near 185 and initiated a reversal attempt.

In recent months, a bullish ascending triangle pattern has taken shape, indicating a potential breakout. Should this pattern unfold as anticipated, it could signify a confirmed trend reversal. The Relative Strength Line (RS Line) of ALGN in relation to SPX has already altered course, exhibiting a solid uptrend while maintaining a position above its 50-period Moving Average.

Furthermore, an observation of the Relative Rotation Graph (RRG) highlights a Quadrant Crossover against the broader S&P 500 index. The stock has re-entered the leading quadrant, suggesting a potential to outperform the overall market.

Anticipating a breakout, the stock's trajectory could ascend to test levels around 450-460 from its current position, translating to a substantial 24% increase. However, a deviation below 305 would nullify this technical setup and its potential implications.

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