

Continue To Buy Encana (ECA; \$59.98)

August 17, 2006



Encana started a new major up-leg.

Encana completed a nine-month area of accumulation mostly between \$50 and \$59 (see solid lines). It rose above the top of this area to a high of \$62.52 recently (A). This advance above the trading range signals the start of a new up-leg toward higher targets.

Technical indicators confirm the bullish status: the 40-week moving average is trending higher, the VSI shows positive momentum, and the MACD is on the verge of a positive crossover (see lower panel). Only a decline below \$56 would reverse the positive status of this stock.

Point & Figure measurements provide targets of \$69 and \$78 (15% and 30% appreciation potentials from current levels). Higher targets are also visible.