

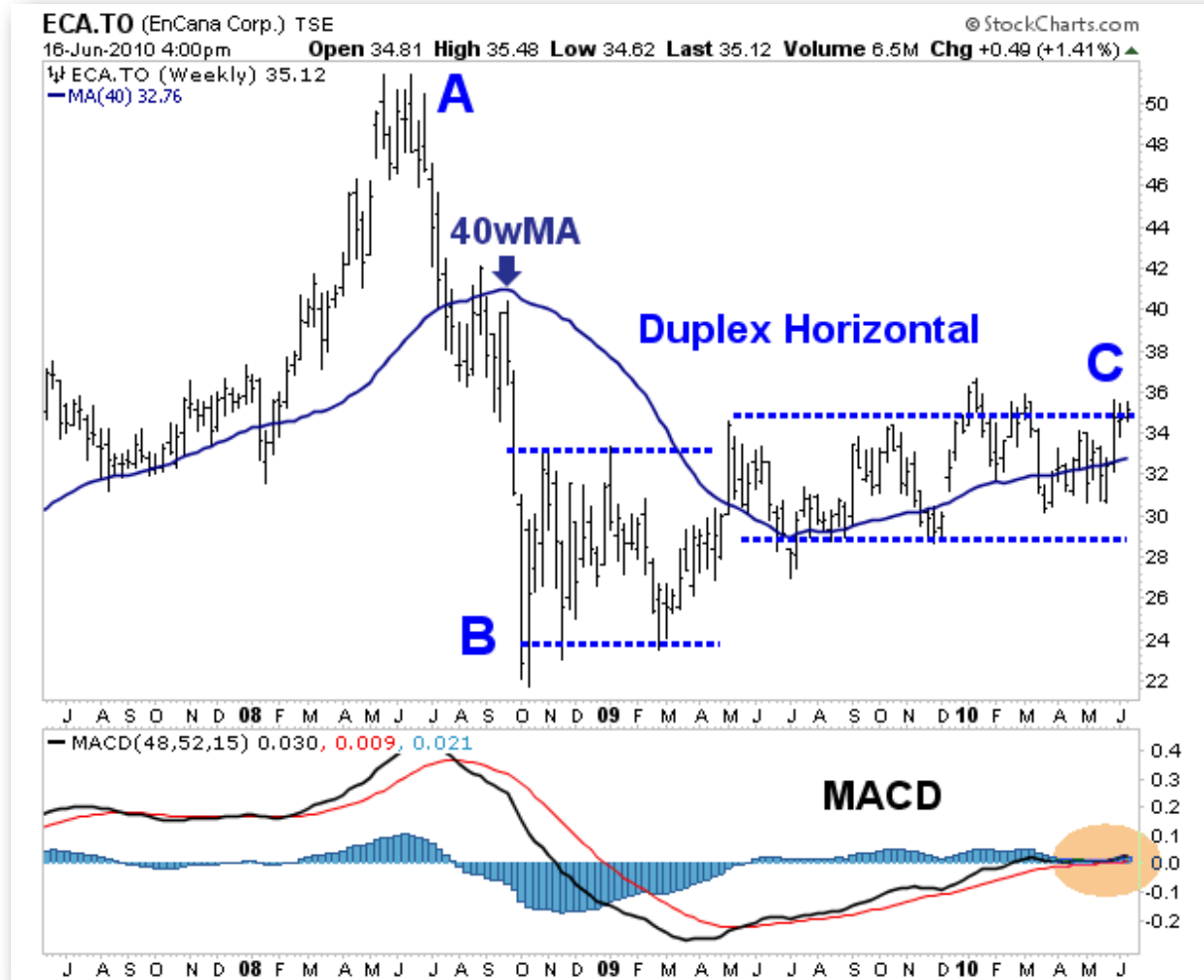


Encana (ECA: \$35.12)

June 17, 2010

Target: \$49.00

Reversal Level: \$30.00



Encana is on the verge of a breakout.

From the high of \$49.65 in June 2008, Encana had a sharp decline to \$22.88 in October of the same year (A-B). This decline was followed by two horizontal trading ranges, the first mainly between \$24 and \$34 and the second mainly between \$29 and \$35 (see dashed lines). This price action produced a bullish technical pattern known as *Duplex Horizontal*. A sustained rise above \$35-36 (C) would confirm a breakout and the start of a new up-leg.

Technical indicators including the rising 40-week moving average, the VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below \$30-29 would reverse the current positive status of this stock.

Technical measurements provide targets of \$42 and \$49 (19% and 39% appreciation potential from current levels). The large Duplex Horizontal (see dashed lines) supports higher targets.