

PHASES & CYCLES™

UPDATE BANKS

**A number of these stocks are either on the verge of a breakdown or have done so in the last few days.
Please see illustrations below.**

Bank of Montreal (BMO): \$68.40; Daily Chart from July 2006



BMO: Has fallen below its 200-day moving average and below \$68. Action between \$68 and \$73 (A-B) suggests a top formation. A sustained move below \$67 could signal a decline toward \$56-57 (a 17% depreciation risk).

Bank of Nova Scotia (BNS): \$51.89; Daily Chart from July 2006



BNS: The recent rally to \$53.50 (A) failed. A move below the 200-day moving average (currently at \$51.80) and below the recent low (\pm \$51) could signal a decline toward \$41-42 (a 21% depreciation risk).

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Cdn Imperial Bk of Commerce (CM): \$95.99; Daily Chart from July 2006



CM: The recent decline below the \$97 support area and below the 200-day moving average could result in a decline to \$86-87 (a 10% depreciation risk).

National Bank (NA): \$61.37; Daily Chart from July 2006



NA: The recent failure to reach a new high plus a decline below the 200-day moving average could result in a decline toward \$54 or \$51 (13% or 18% depreciation risk).

Royal Bank (RY): \$56.62; Daily Chart from July 2006



RY: Still above its 200-day moving average and the \$54-55 support level, but any failure here could result in a decline toward \$51 (a 7% depreciation risk).

Toronto-Dominion Bank (TD): \$72.86; Daily Chart from July 2006



TD: The strongest of the group – so far. It successfully bounced off its 200-day moving average in late-April. It must hold \$68-\$69 to stay positive.