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CANADIAN NATIONAL RAILWAY IS ON THE VERGE OF A BREAKOUT

Sector: Industrial – Railroads

(CNR-T: \$81.26; Dividend: \$1.50; Yield: 1.85%; Weekly Chart from 2013)



In our previous report (January 2015 – \$84.03) we suggested an overbought condition and potential weakness. Following our report, CNR declined below support and traded below a falling trend-line for about one year (dotted line), but found good support at ±\$70 (solid line).

The recent price action above the falling trend-line (A) suggests CNR is ready to resume the up-trend; a sustained rise above \$83-84 would confirm this.

Behaviour indicators including the rising 40-week Moving Average (40wMA) and the rising trend-line (dashed line) confirm the bullish status. Only a decline below \$75-76 would be negative.

A rise above \$83-84 would signal Point & Figure targets of \$88 and \$94 (8% and 16% appreciation potentials from current levels).

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