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LOBLAW UP-SIDE POTENTIAL

Sector: Consumer Staples – Food Retail

(L-T: \$69.63; Dividend: \$1.18; Yield: 1.69%; Market Cap \$26.13B)



Loblaws has been trading within a horizontal range mostly between \$63 and \$75 since mid-2015 (dashed lines). In 2017 the stock appeared to be breaking out of this range (A) but then quickly declined below its 40-week Moving Average (40wMA) toward the bottom of the range (B).

Recent price action above the falling trend-line (dotted line) and above the 40wMA suggests the stock is heading toward the top of the range (C). In addition, a sustained rise above \$75 would signal a breakout from the trading range.

Behaviour indicators including the rising 40wMA confirm the up-side potential. Only a sustained decline below \$62-63 would be negative.

Point & Figure measurements provide a target of \$75 (8% appreciation potential from current levels). A rise above \$75 would signal higher targets.

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PAC-18-123; L-16; July 27, 2018

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