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LINAMAR HAD A BREAKDOWN

Sector: Consumer Discretionary – Auto Parts & Equipment
(LNR-T: \$58.40; Dividend: \$0.48; Yield: 0.82%; Market Cap \$3.82B)



We published a positive report on Linamar on January 5, 2017 at \$60.09 and we added the stock to our List of Investment Ideas on January 6, 2017 at \$60.67.

Linamar rallied to a high of \$80.58 in late-2017 (A) and we closed the position from our list in early-2018 with a gain of 22%.

Recent price action has been negative: Linamar declined below the rising trend-line (dotted line), it declined below its now falling 40-week Moving Average (40wMA) and it started a new trend of lower highs as shown by the falling trend-line (solid line).

The stock is currently oversold and could have a one-third or one-half recovery rally toward \$62 or \$65, but only a sustained rise above \$70 would reverse the current negative trend.

After a recovery rally toward \$62-63, Linamar could move toward lower targets.

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