

# PHASES & CYCLES®

## DOLLARAMA HAD A BREAKDOWN

**Sector: Consumer Discretionary – Department Stores**  
(DOL-T: \$45.74; Dividend: \$0.16; Yield: 0.35%; Market Cap \$14.95B)



On August 8, 2017 (\$40.08 – all prices adjusted for 3:1 split) we reported higher targets of \$45 and \$48. We added Dollarama to our List of Investment Ideas on September 12, 2017 at \$45.31 and removed it on November 29, 2017 at \$53.94 for a 19% gain.

Dollarama rallied slightly higher to \$56.67 in February 2018 (A), but then started a period of lower highs as shown by the falling trend-line (solid line). It found support at \$48.50-49.00 for about six months (shaded area), but recently violated this level to signal the continuation of the down-trend (B).

Behaviour indicators including the flattening 40wMA and the falling trend-line (solid line) confirm the negative status. Only a sustained rise above \$53-54 would reverse the current negative trend.

**Point & Figure measurements provide targets of \$40 and \$35 (13% and 23% depreciation risks from current levels). Lower targets are visible.**

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