

PHASES & CYCLES®

ABSOLUTE SOFTWARE (ABT-T) UPDATE

Sector: Information technology – Application Software

(\$12.03; Dividend: \$0.32; Yield: 2.66%; Market Cap \$512.0M)

Weekly Chart from January 2015



On April 15, 2019 (\$8.94) we identified a breakout from a large, bullish technical pattern known as a *Triple Bottom* (dashed lines). We suggested a correction and targets of \$10.50 and \$12.00. As predicted, Absolute Software had a correction (A); reached our first target last February (B); pulled back temporarily below its 40-week Moving Average (40wMA) in March (C), and then quickly resumed the up-trend to fulfill our second target (D).

Once again, the stock is extremely overbought and far above its 40wMA. Although the stock may remain overbought a while longer, it will likely have a correction of the recent rise (C-D). A one-third retracement targets \pm \$10.50 while a one-half correction could bring the stock back to \pm \$9.50.

Behaviour indicators including the rising 40wMA confirm the bullish status. Only a sustained decline below the 40wMA would be negative.

After a correction, Point & Figure measurements provide targets of \$13.00 and \$14.50 (8% and 20% appreciation potentials from current levels). The large *Triple Bottom* base (dashed lines) supports higher targets.

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