

Technical Analysis

Global Portfolio Advisory Group



GPAG Technical Analysis

Thursday, June 7, 2018

Global Portfolio Advisory Group, Scotia Capital Inc.

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Indexes

| Index | Short Term Trend | Medium Term Trend | Support | Resistance |
|---------------|------------------|-------------------|----------------|----------------|
| TSX Composite | Bull | Bull | 16035, 15790 ↑ | 16355, 16575 ↑ |
| S&P500 | Bull | Bull | 2720, 2684 ↑ | 2790, 2902 ↑ |
| Nasdaq 100 | Bull | Bull | 7009, 6860 ↑ | 7442 ↑ |
| DJIA | Bull | Bull | 24670, 24235 ↑ | 25230, 25430 ↑ |

* Change in status

Market Sector Trend Breakdown (Short term)

| | | |
|--------------------------------|---|--|
| Total US Sectors Analyzed: 9 | Bull confirmed or pending: 6 Consumer Discretionary, Energy, Materials, Technology, Health Care, Industrials | Bear confirmed or pending: 3 Consumer staples, Financials, Utilities |
| Total CDN Sectors Analyzed: 12 | Bull confirmed or pending: 10 Info Tech, Energy, Real Estate, Industrials, Consumer Discretion, Materials, Financials, Consumer Staples, Telecom, Health Care | Bear confirmed or pending: 2 Utilities, Global Gold |

Influential Market Sample

| Product | Short Term Trend | Medium Term Trend | Support | Resistance |
|-----------------|------------------|-------------------|----------------|----------------|
| Gold | Bear | Bull | 1293, 1280 | 1310, 1316 |
| Crude Oil | Bull | Bull | 64.08, 61.81 ↓ | 67.66, 69.55 ↓ |
| Canadian Dollar | Bear | Bull | 0.7623, 0.7548 | 0.7798, 0.7837 |

* Change in Status

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Action and Changes

The Nasdaq (both the Composite and the 100) is near an all-time high, while the S&P500 has managed a minor move above resistance at 2741 this week. In our view, this confirms short term bullishness back in place from a technical perspective. The TSX and EuroStoxx50, meanwhile, have corrected after reaching resistance levels but otherwise demonstrate stability near their short-term moving average levels. Nonetheless, risk signals such as a bullish DXY chart, a bearish-biased emerging markets chart, upward-trending U.S. bond yields and flat volume measures on major stock indices remain in place. We continue to recommend a cautious overweight to equities in our portfolios and emphasize that heightened market risks as well as volatility are endemic characteristics of late-cycle investing. We will continue to monitor technical conditions on all timelines and across multiple asset classes in an effort to identify credible early warning signs of a market downturn, whether or not such signals precede traditional fundamental indicators. Mean Reversion theory will be a consistent consideration in an effort to ensure that we do not add constituents to our portfolios at inopportune prices and/or times in the business cycle.

Additional Featured Items

Technical Summaries of GPAG's short list of Canadian Equities, taken from *Here's What We're Thinking* May 29, 2018:

Bank of Montreal - BMO (C\$) – The short-term chart condition is a tentative bull trend with a medium-term sideways bias. After closing a gap in September of 2017, prices rebounded to post a very modest new high in January, and remain in close proximity to the upper boundary of a long term ascending channel. The share price is presently testing a level of medium term resistance near \$101.15 but momentum studies are strong and rising so the short term action may continue to see moderate gains and a confirmation of short term bullishness. The midpoint of the long term channel is nearing medium term support, which places an optimized technical buy at \$90. Technical value would rest at the bottom of the channel, which is currently at \$73.50 (a slowly rising objective). A twelve-month technical topside target sits at \$109.80.

Toronto-Dominion Bank - TD (C\$) – The short term trend is confirmed bullish after a recent push through resistance at \$75.10. Nearest support rests at \$69.40, and this level could be considered the closest technical buy level. The current price is very close to the upper boundary of a long term ascending channel so the present risk/reward ratio is technically unappealing for new positions. A twelve-month topside target of \$79.20 is comparatively close at hand. The midpoint of the ascending channel sits at \$66 and would be an attractive long term buy level, in our view, if the opportunity were to

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present itself. Meanwhile, the bottom of the channel is currently reinforced at a level that could transition to pivot significance at \$58.

Intact Financial Corporation - IFC (C\$) – The short term trend is still bearish in principle, but that is waning with moving averages converging positively. The share price has been fluctuating near a 3-year technical mark at \$96.77 that is transitioning to a pivot. The aggregate of chart activity is net-positive. The current price (\$96.00 range) is within the confines of a 10 year ascending channel with a modestly favourable risk/reward profile. Our twelve-month technical target is \$115.67. Key support, at a critical pivot and the bottom of the ascending channel, is currently just above \$90.

Manulife Financial Corporation - MFC (C\$) – The share price continues to consolidate between key pivots at \$26.50 and \$22.53. The current short term trend is tentatively bullish. The current price (\$24.50 area) is within the confines of a 6 year ascending channel with a balanced risk/reward profile. Our twelve-month technical target is at \$29.85. Key support from both a long term pivot as well as the bottom of the ascending channel is currently \$19.61 but, in our estimation, will climb slowly over time.

Restaurant Brands International - QSR (C\$) – The current short-term trend is bullish with moving averages and momentum positively configured. The chart has benefitted from a slowing rate of climb that dropped from 35 degrees to 22 degrees over 2017. Support was tested and held at \$67.48, and the share price has since pushed through what could have been resistance at \$71.67. Key support levels are at \$64.35 and \$57.23. Our twelve-month technical target is \$90.

Pembina Pipeline Corporation - PPL (C\$) – Short and medium term trends are bullish, but the share price has been held back at a resistive barrier at \$45.99 after pushing through more modest and less defined resistance at \$43.66. The present rate of climb is lower than the broader index, but the chart finds support at \$41, \$40.17 and, much further below, \$36.16. Momentum is presently positive and historically it is rare to see the relative strength index (RSI) in overbought territory. Our twelve-month technical target is \$47.25.

Fortis Inc. - FTS (C\$) – The short-term trend condition remains bearish with the share price recently pivoting around an ascending and potentially supportive trendline (currently intersecting the chart at \$41.75). Medium to longer-term support levels are at \$40.14 and \$38.32. An ascending channel is identifiable on the chart, beginning in 2015 and climbing at an index-comparable rate of roughly 16 degrees. The current price (slightly under the \$41 level) would be considered coincidental to the lower-most threshold of the ascending channel and as such would be considered a technical value buy. Our twelve-month technical target is \$49.15.

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NFI Group Inc. - NFI (C\$) – The short-term trend was just recently confirmed as bearish. Share prices had been trending along a 33-degree rate of climb since late 2015 but declined through this supportive trendline in mid-2017, with the price consolidating since that time. There are two recent support levels that have arisen from the consolidation at \$54.05 (recently broken) and \$49.40 with a tentative pivot point below at \$44.85. Buying modest weakness into support would be the preferred short-term technical strategy despite some recent chart deterioration. Our 12-month technical target is \$65.60.

Loblaw Companies Ltd. - L (C\$) – The short-term trend is bullish and was only recently confirmed with the intraday rally above \$67. The medium to long-term trend is consolidative between pivots at \$60.70 and \$68.70 with resistance expected at \$74.45. A 10 year duration ascending price channel is evident on the chart, with the current price (\$66.50 range) outside and below the channel, thus representing technical value. Mean reversion theory would offer a 12-month technical price target of \$74.45 to \$76.50.

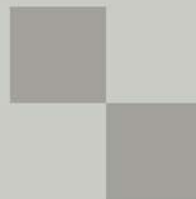
SNC-Lavalin Group Inc. - SNC (C\$) – The current trend condition is neutral, with the share price near the mid-point of a 2-year sideways channel. Longer term (10 year chart), there is a bull triangle formation under development. Arguably, a move above \$59.47 could trigger a breakout. On the lower side of the chart is an influential pivot at \$51.64 and medium-term price support at \$50, although a decline to these ranges would entail a breach of a supportive, rising trendline that forms the basis of the triangle pattern. Momentum studies have been exceedingly flat and even on the few occasions where we have seen price gains toward the \$59.47 breakout range, RSI has remained in the upper 60's at best. This suggests there is entrenched reluctance to buy strength here. Optimally, a technical buy price point now sits at \$52.60 (a slowly rising objective) while our 12-month technical target would be \$63.

Hydro One Ltd - H (C\$) – Minimal data history inhibits technical analysis, but the dominant features on the chart so far are prior support that could transition to pivot status at \$22.00 and a declining price channel since October 2016. The share price has rarely threatened a bull breakout from the channel but has repeatedly broken down below, with tentative lateral recoveries ensuing. The current share price (in the \$19.49 range) is again outside and below the declining channel but only marginally. Momentum studies still confirm downward share price direction, and there is no clear indication of a buy signal at this time.

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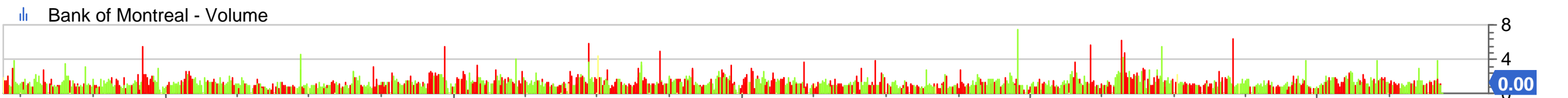
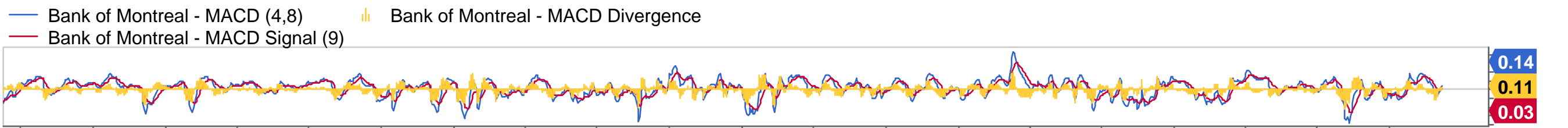
Features and Notables

Bank of Montreal

Daily

101.28 0.00 0.00% 12:00:00 AM VWAP:

High: 101.02 Low: 61.68 Chg: 58.21%



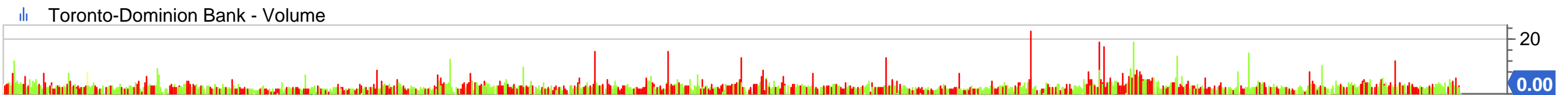
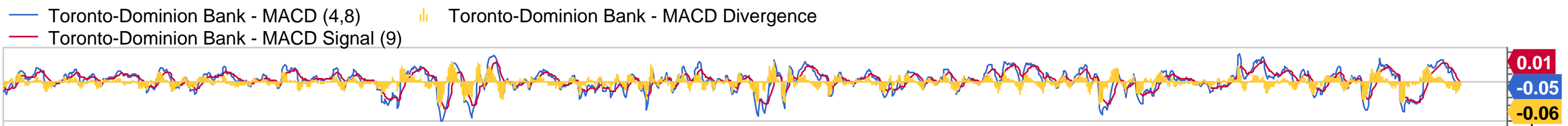
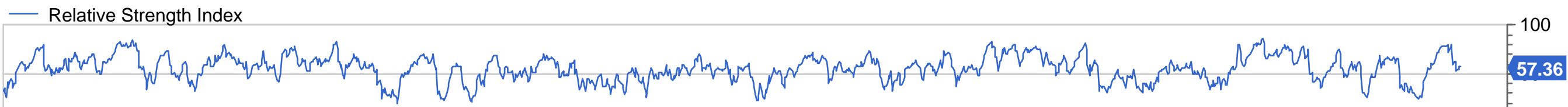
'13 '14 '15 '16 '17

Toronto-Dominion Bank

Daily

75.41 0.00 0.00% 12:00:00 AM VWAP:

High: 74.14 Low: 41.21 Chg: 78.93%



'13 '14 '15 '16 '17

Intact Financial Corporation

Daily

96.16 0.00 0.00% 12:00:00 AM VWAP:

High: 104.97 Low: 59.98 Chg: 57.75%



110.00
97.25
96.77
96.77
96.16

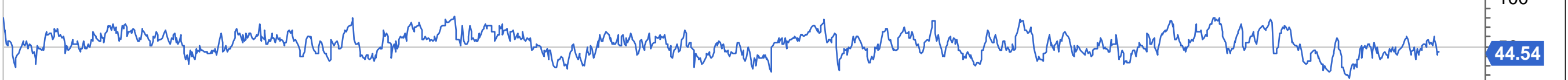
90.00

80.00

70.00

60.00

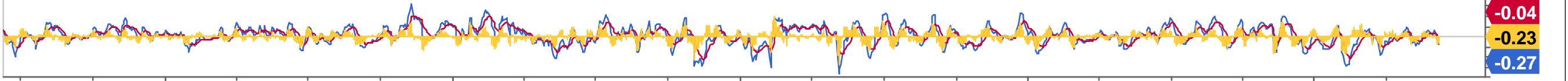
Relative Strength Index



100

44.54

Intact Financial Corporation - MACD (4,8) Intact Financial Corporation - MACD Divergence
Intact Financial Corporation - MACD Signal (9)

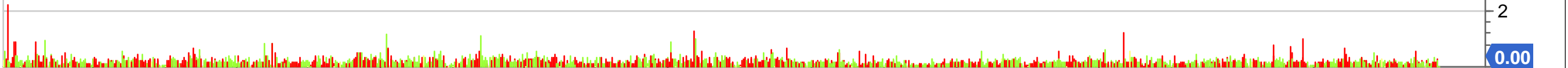


-0.04

-0.23

-0.27

Intact Financial Corporation - Volume



2

0.00

'13

'14

'15

'16

'17

Manulife Financial Corporation

24.66 0.00 0.00% 12:00:00 AM VWAP:

Daily

High: 26.64 Low: 15.24 Chg: 60.96%

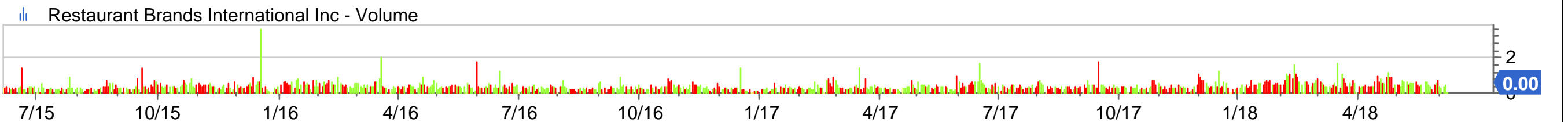
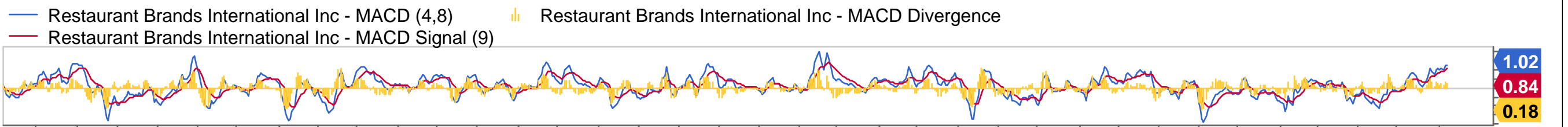


Restaurant Brands International Inc

79.24 0.00 0.00% 12:00:00 AM VWAP:

Daily

High: 82.02 Low: 46.84 Chg: 50.13%



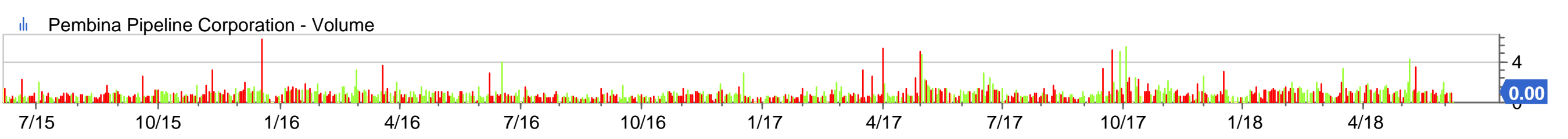
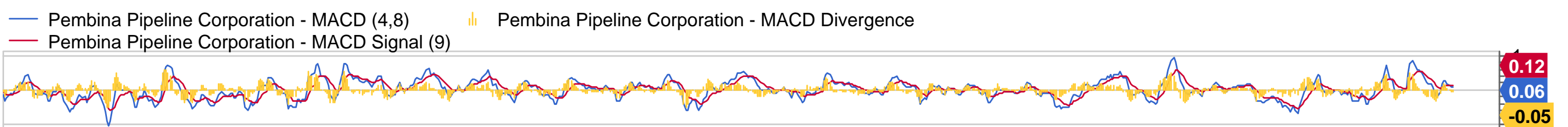
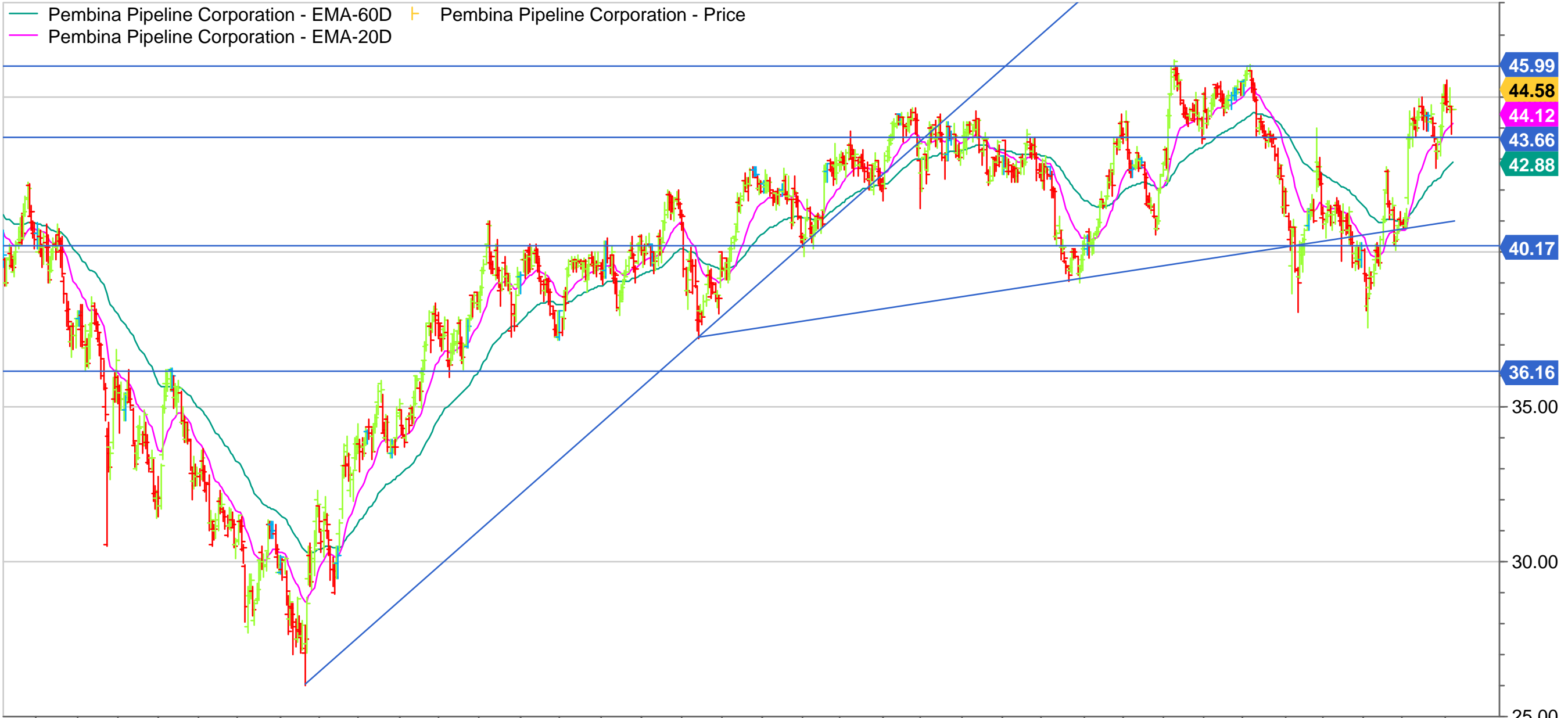
7/15 10/15 1/16 4/16 7/16 10/16 1/17 4/17 7/17 10/17 1/18 4/18

Pembina Pipeline Corporation

44.58 0.00 0.00% 12:00:00 AM VWAP:

Daily

High: 44.48 Low: 30.29 Chg: 4.15%



7/15 10/15 1/16 4/16 7/16 10/16 1/17 4/17 7/17 10/17 1/18 4/18

Fortis Inc.

40.42 0.00 0.00% 12:00:00 AM VWAP:

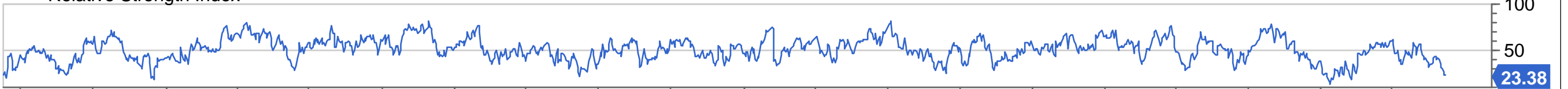
High: 46.95 Low: 30.66 Chg: 24.79%

Daily

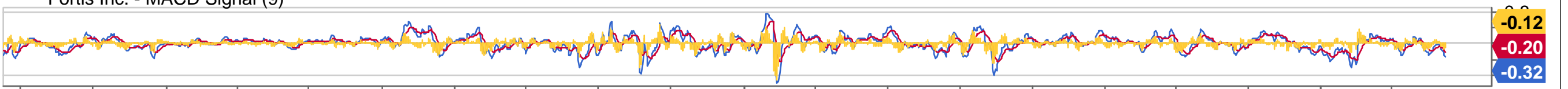
Fortis Inc. - EMA-60D
Fortis Inc. - Price
Fortis Inc. - EMA-20D



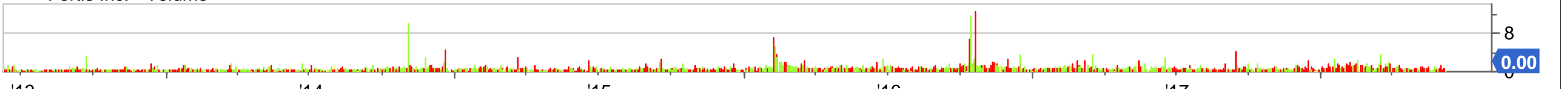
Relative Strength Index



Fortis Inc. - MACD (4,8)
Fortis Inc. - MACD Signal (9)
Fortis Inc. - MACD Divergence



Fortis Inc. - Volume



'13 '14 '15 '16 '17

NFI Group Inc.

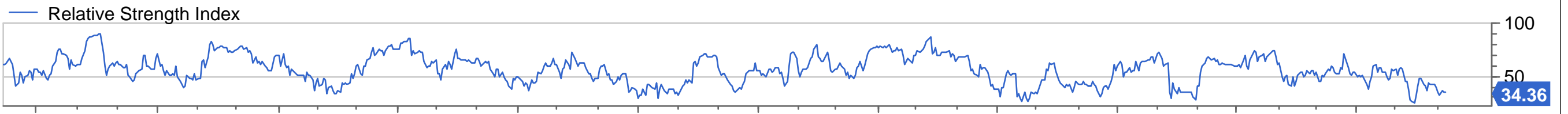
52.92 0.00 0.00% 12:00:00 AM VWAP:

Daily High: 57.91 Low: 14.63 Chg: 283.80%

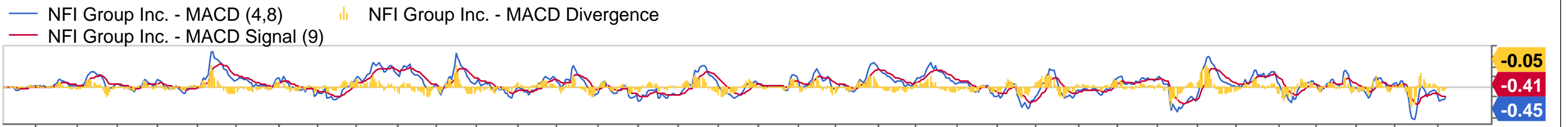


56.15
54.67
52.92

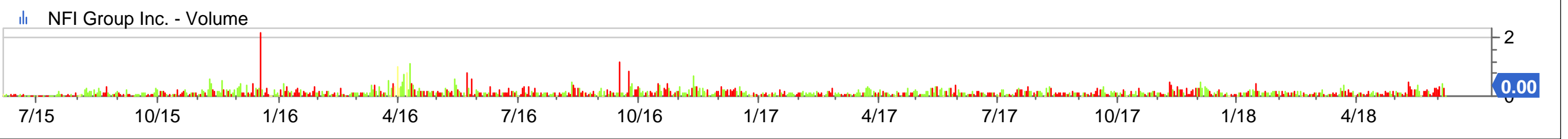
44.84



100
50
34.36



-0.05
-0.41
-0.45



2
0.00

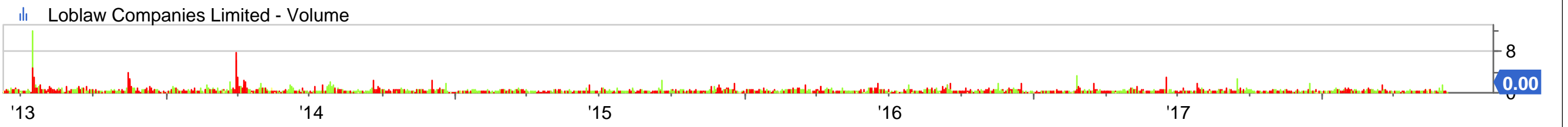
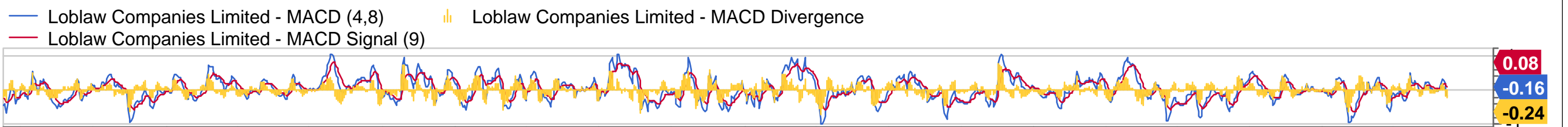
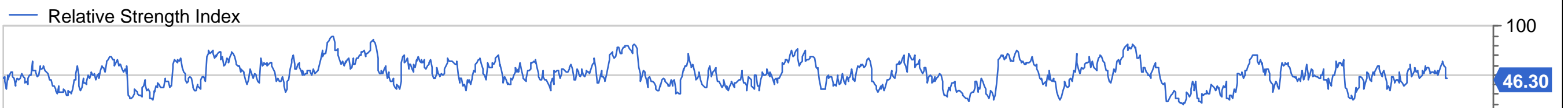
7/15 10/15 1/16 4/16 7/16 10/16 1/17 4/17 7/17 10/17 1/18 4/18

Loblaw Companies Limited

65.61 0.00 0.00% 12:00:00 AM VWAP:

Daily

High: 74.94 Low: 43.16 Chg: 47.08%



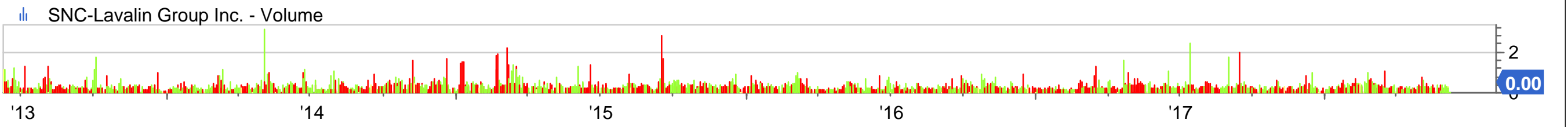
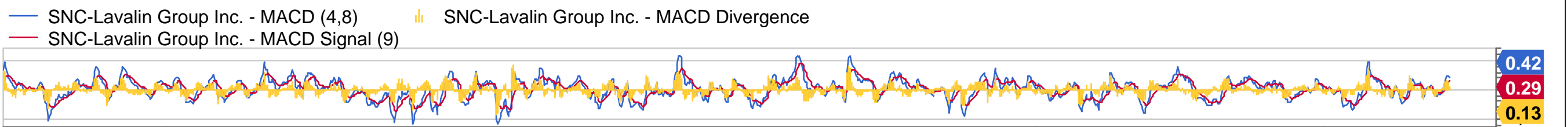
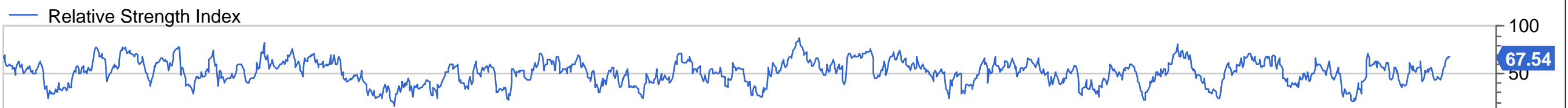
'13 '14 '15 '16 '17

SNC-Lavalin Group Inc.

57.63 0.00 0.00% 12:00:00 AM VWAP:

High: 56.80 Low: 39.79 Chg: 32.70%

Daily



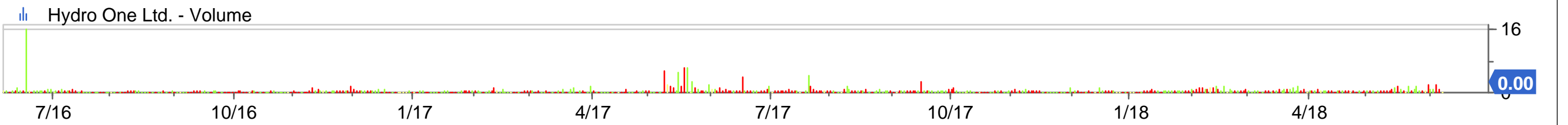
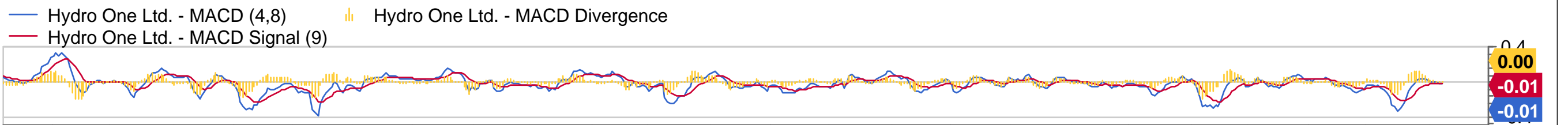
'13 '14 '15 '16 '17

Hydro One Ltd.

19.46 0.00 0.00% 12:00:00 AM VWAP:

High: 25.78 Low: 20.16 Chg: -15.40%

Daily



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