



Shaw Communications (SJR.B: \$19.05)

August 5, 2009

Reversal Level: \$17.00



Shaw Communications has completed a wedge formation.

From a high of ±\$26 in November 2007 (A), Shaw Communications sold-off to ±\$17 (B) in March 2008. The stock then had rallies that culminated at lower and lower levels, yet the decline always stopped at about ±\$17.50. This action has created a pattern known as a wedge formation; characterized by lower highs and a major support level (see dashed lines).

The major support level lies at ±\$17.00-17.50. A decline below this level would be extremely negative. Current owners should use a stop-loss at about this level. At the same time, a rise above ±\$21 would reverse the current negative status and lead to higher levels.