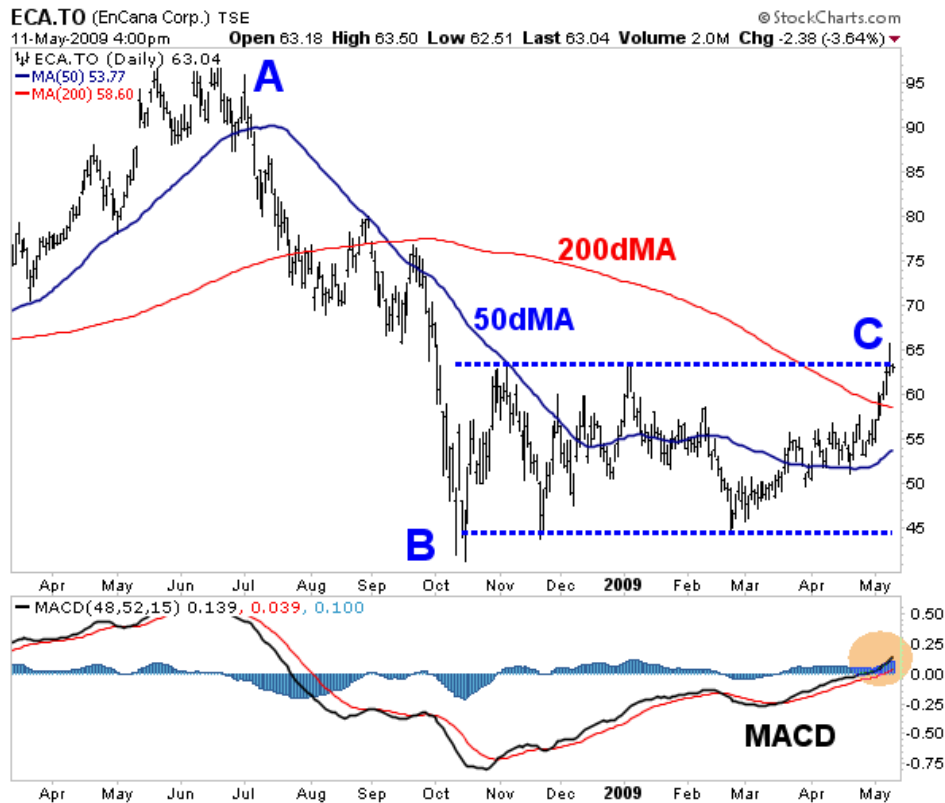


EnCana (ECA: \$63.04)

May 12, 2009

Target: \$77.00

Reversal Level: \$57.00

**EnCana moved above its 200-day moving average.**

EnCana had a sharp decline from a high of \$94.40 in June 2008 to \$43.50 in October 2008 (A-B). The decline was followed by a series of rallies and sell-offs within a horizontal trading range mainly between \$44 and \$62 (see dashed lines). During this period, the stock intersected its flattening 50-day moving average (50dMA) on several occasions. Recently, the stock has rallied above its 50- and 200-day moving averages and it is now in the midst of a breakout from the trading range (C). A decisive move above the resistance at \$62 would signal the start of a new up-leg toward higher targets.

A minor pullback toward the 200-day moving average could occur, however, it should be viewed as an ideal buying opportunity.

Technical indicators, including the MACD that is on the verge of a positive cross-over, confirm the bullish status (see lower panel). Only a decline below \$57 would cancel the upside potential of this stock.

A decisive move above \$62 would provide a technical target of \$77 (a 22% appreciation potential from current levels).

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