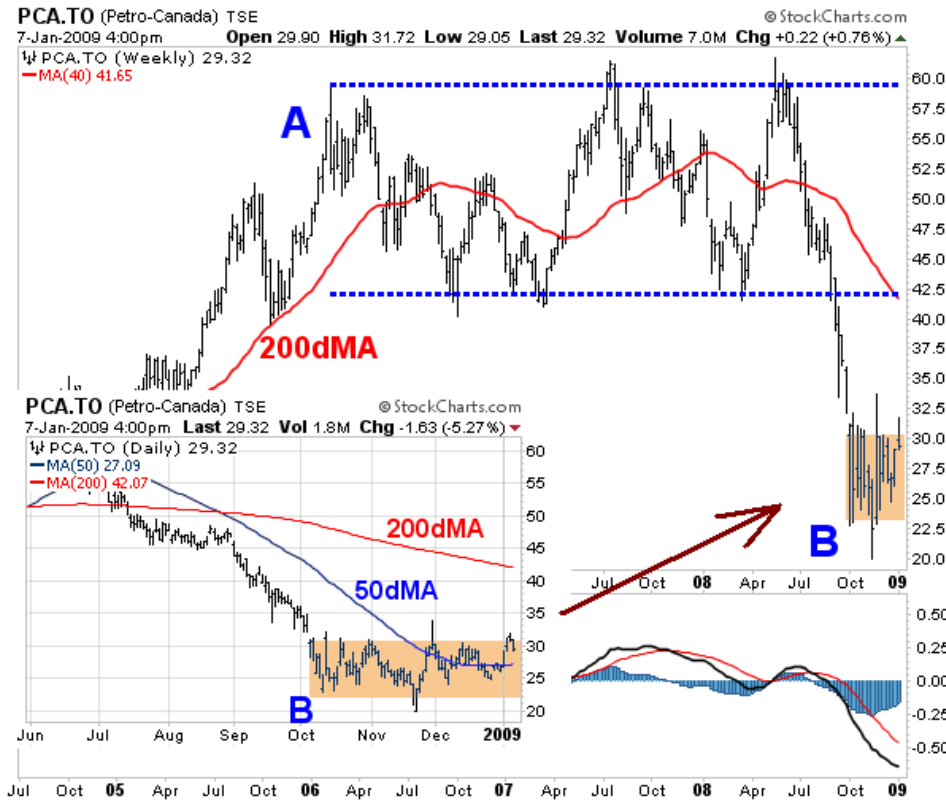


**Petro-Canada (PCA: \$30.50)**

January 9, 2009

**Target: \$39.00**

Reversal Level: \$25.00



**Petro-Canada shows a trading opportunity to \$39-41.**

After reaching a high of \$57.80 in April 2006 (A), Petro-Canada traded in a horizontal trading range mostly between \$41 and \$60 (see dashed lines). In September 2008, the stock had a clear breakdown from this area of distribution, which triggered a sharp decline to \$23.70 in October 2008 (B).

The stock followed with a series of rallies and sell-offs within a horizontal trading range mainly between \$23 and \$30 (see small chart). During this period, the stock intersected its flattening 50-day moving average (50dMA) on several occasions. Currently, the stock has rallied above the 50dMA and approached the top of the trading-range. A decisive breakout above the resistance at \$30 would signal the start of an intermediate-term rally toward its falling 200-day moving average (±41). Only a decline below \$25 would cancel the upside potential of this stock.

**A decisive move above \$30 would provide a technical target of \$39 (a 28% appreciation potential from current levels).**

**Note:** Given that the stock is trading below its long-term 200-day moving average, this report is not suitable for longer-term investors.