

PHASES & CYCLES®

CANADIAN INSURANCE STOCKS UPDATE

Canadian Insurance stocks appear to have completed their respective corrections and are starting a new uptrend. A rise above their previous highs set in 2021-2022 would be extremely bullish.

See below for details including important levels to watch.



Great-West Lifeco Inc. (GWO - \$35.28) rallied from \$18.88 in March 2020 to \$41.50 in February 2022 (A-B). In March 2022, the price fell below the 40-week Moving Average (40wMA), and the 10-week Moving Average (10wMA) declined below the 40wMA to signal the start of a negative trend.

The stock retraced about one-half of the previous rise (A-B) and then settled in a horizontal trading range mostly between \$29 and \$33 for about seven months (dashed lines). The recent rise above this range signaled a breakout and the start of a new up-trend toward higher targets (C). The 10wMA is currently rising and on the verge of crossing above the 40wMA to confirm the positive trend.

There is good support near \$32-33; only a sustained decline below this level would be negative.

Point & Figure measurements provide a target of \$40 (a 13% appreciation potential from current levels). A sustained rise above the 2022 high (\$41-42) would confirm higher targets.

Charts courtesy of Refinitiv Eikon

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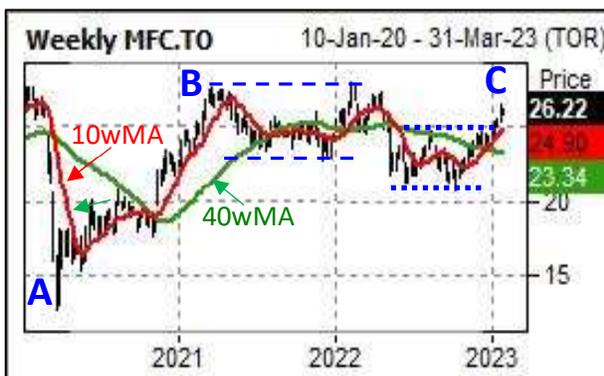


IA Financial Corp. Inc. (IAG - \$82.38) rallied from \$30.38 in March 2020 to \$85.25 in February 2022 (A-B). In April 2022, the price fell below the 40-week Moving Average (40wMA), and the 10-week Moving Average (10wMA) declined below the 40wMA to signal the end of the rising trend.

The stock had a correction and found good support near \$60 (shaded area). After about three months, it resumed the uptrend above a rising trendline (dashed line) and the 10wMA moved above the 40wMA in October 2022 to confirm the positive trend. A sustained rise above the 2022 high (\$85-86) would confirm higher targets.

There is good support near \$77-78; a decline below this level would suggest a return toward the 40wMA (currently near \$71).

A sustained rise above \$85-86 would signal a Point & Figure target of \$99 (a 16% appreciation potential from breakout levels).



Manulife Financial Corp. (MFC - \$26.22) rallied from \$12.58 in March 2020 to \$26.67 in March 2021 (A-B) and then settled in a trading range mostly between \$23 and \$27 (dashed lines), followed by another range between \$21 and \$24 (dotted lines). The stock rallied above the second range recently to suggest a breakout and the start of a new uptrend. A sustained rise above \$28 would be extremely bullish.

The 10wMA started to rise in November 2022 and crossed above the 40wMA in January to confirm the positive trend.

There is good support near \$23-24; only a sustained decline below this level would be negative.

A sustained rise above \$28-29 would signal a Point & Figure target of \$34 (a 21% appreciation potential from breakout levels)

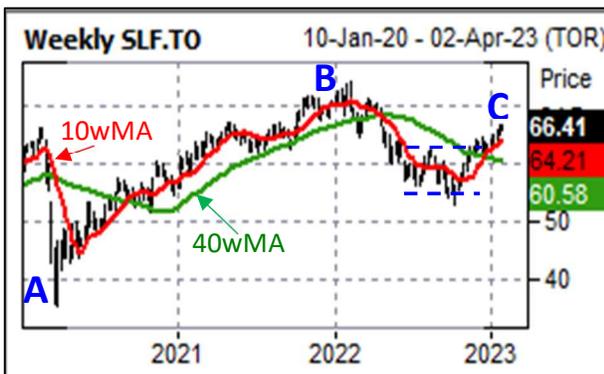


Power Corp. of Canada (POW - \$36.18) rallied from \$17.47 in March 2020 to \$44.53 in September 2021 (A-B). In early-2022, the price fell below the 40-week Moving Average (40wMA), and the 10-week Moving Average (10wMA) declined below the 40wMA to signal the start of a negative trend.

The stock retraced about one-half of the previous rise (A-B) and then stayed in a horizontal trading range mostly between \$31 and \$36 for the past eight months (dashed lines). A sustained rise above this range would suggest a breakout and the start of a new up-trend toward higher targets. The 10wMA is currently rising and on the verge of crossing above the 40wMA to confirm a positive trend.

There is good support near \$34; a decline below this level would suggest a return toward the bottom of the trading range.

A sustained rise above \$36-37 would signal a Point & Figure target of \$43 (a 19% appreciation potential from breakout levels).



Sun Life Financial Inc. (SLF - \$66.41) rallied from \$35.43 in March 2020 to \$74.22 in February 2022 (A-B). Shortly afterward, the price fell below the 40-week Moving Average (40wMA), and the 10-week Moving Average (10wMA) declined below the 40wMA to signal the start of a negative trend.

The stock retraced about one-third of the previous rise (A-B) and then stayed in a horizontal trading range mostly between \$55 and \$62 for about six months (dashed lines). The recent rise above this range signaled a breakout and the start of a new uptrend toward higher targets (C). The 10wMA is currently rising and has crossed above the 40wMA to confirm the positive trend. A sustained rise above the 2022-high (\$74-75) would be extremely bullish.

There is good support near \$62-63; only a sustained decline below this level would be negative.

Point & Figure measurements provide a target of \$74 (an 11% appreciation potential from current levels). A sustained rise above the 2022 high would confirm higher targets.