

CANADIAN BANKS STATUS

Four out of the six major Canadian Banks experienced gains in 2023. Bank of Nova Scotia had the worst results while Canadian Imperial Bank of Commerce (CIBC) had the largest gains for the year. The table below summarizes statistics for each.

Name	Ticker	Start 2023	End 2023	Loss/gain 2023	2023 High	2023 Low
Bank of Montreal	BMO	\$122.66	\$131.11	+6.9%	\$136.08	\$102.67
Bank of Nova Scotia	BNS	\$66.34	\$64.50	-2.8%	\$74.41	\$55.20
CIBC	CM	\$54.77	\$63.80	+16.5%	\$63.60	\$47.44
National Bank	NA	\$91.23	\$101.00	+10.7%	\$104.83	\$84.27
Royal Bank	RY	\$127.30	\$134.00	+5.3%	\$140.18	\$107.92
TD Bank	TD	\$64.75	\$64.61	-0.2%	\$94.05	\$75.89

Bank of Montreal, CIBC and Royal Bank appear to have started new uptrends, Bank of Nova Scotia remains in a long-term downtrend and National Bank needs a breakout above resistance. Although TD Bank had the best overall performance in 2023, it has not broken out.

We take a closer look at the individual charts and identify important levels to watch for in the following pages.

Charts courtesy of Refinitiv Eikon

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Bank of Montreal (BMO - \$126.84) started a downtrend below a falling trendline (dashed line) in early-2022 and the 10-week Moving Average (10wMA) crossed below the 40-week Moving Average (40wMA) by mid-year to confirm the negative trend. The recent rise above these indicators (A) combined with the crossover of the 10wMA above the 40wMA signaled the end of the downtrend and the start of an uptrend toward higher targets.

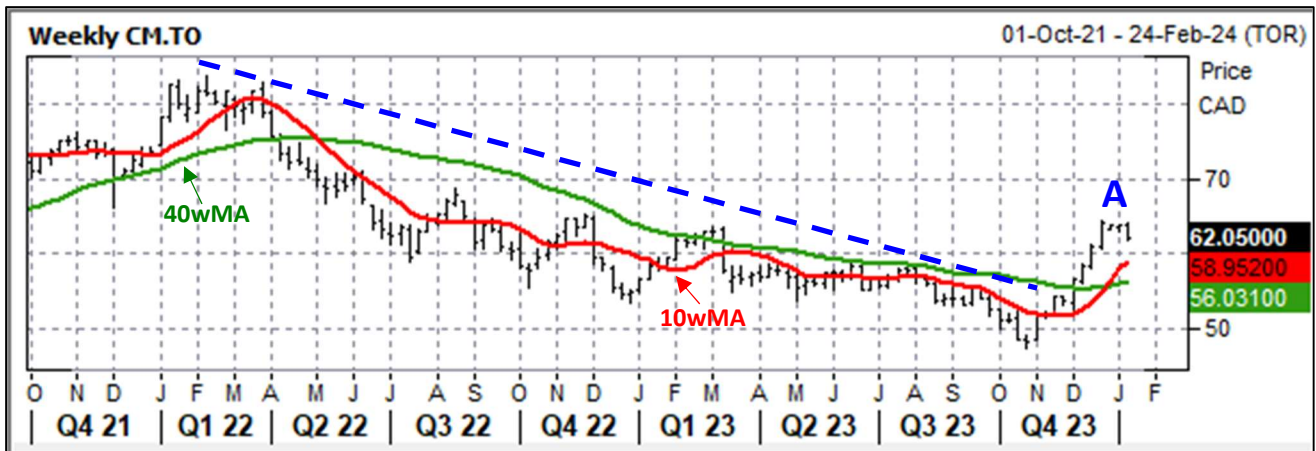
Bank of Montreal may have a minor correction toward the 40wMA but only a sustained decline below \$117-118 would cancel the current upside potential.

Point & Figure measurements provide targets of \$138 and \$149 (9% and 17% appreciation potentials from yesterday's close). Higher targets are visible.



Bank of Nova Scotia (BNS - \$62.74) has been trading below a long-term falling trendline since early-2022 (dashed line). The negative trend was confirmed by the crossover of the 10wMA below the 40wMA in May-June 2022. The stock is currently trading near but not above the 40wMA which remains above the 10wMA. Only a sustained rise above \$65-66 combined with a crossover of the 10wMA above the 40wMA would signal a reversal of the negative trend and the start of a new up-leg.

There is some support near \$60-61 and then again near \$56; a sustained decline below the latter would signal the continuation of the downtrend.



Canadian Imperial Bank of Commerce (CM - \$62.05) started a downtrend below a falling trendline (dashed line) in early-2022 and the 10wMA crossed below the 40wMA in May confirming the negative trend. The recent rise above these indicators (A) combined with the crossover of the 10wMA above the 40wMA signaled the end of the downtrend and the start of an uptrend toward higher targets.

CIBC may have a minor correction toward the 40wMA but only a sustained decline below \$56-57 would cancel the current upside potential.

Point & Figure measurements provide targets of \$69 and \$74 (11% and 19% appreciation potentials from yesterday's close). Higher targets are visible.



National Bank (NA - \$100.82) was the only stock of the six major Bank stocks to rise from late-2022 to August-2023 (dotted line) and when the stock reversed the trend, it found support at the late-2022 lows near \$85 (dashed line). However, the stock has been unable to rise above resistance at ±\$105 for more than two years (shaded area). Only a sustained rise above this level would signal a breakout and the start of a new uptrend toward higher targets.

There is good support near \$95-96; a decline below this level would suggest a return toward the \$85 level.

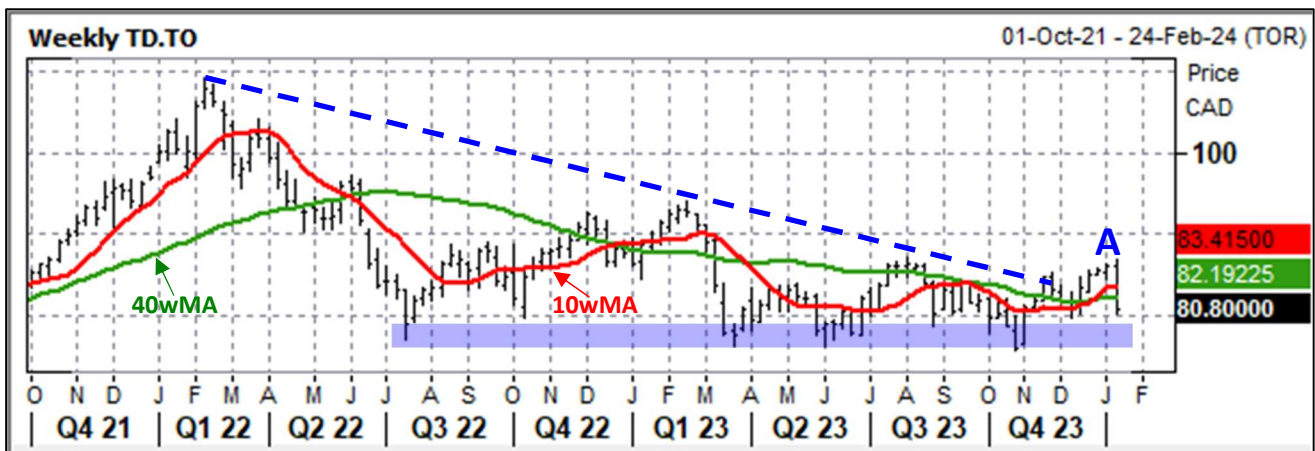
A sustained rise above ±\$105 would signal Point & Figure targets of \$114 and \$124 (9% and 18% appreciation potentials from breakout levels). Potentially higher targets are visible.



Royal Bank (RY - \$133.32) started a down-trend below a falling trendline (dashed line) in early-2022 and the 10wMA crossed below the 40wMA in May confirming the negative trend. The recent rise above these indicators (A) combined with the crossover of the 10wMA above the 40wMA signaled the end of the downtrend and the start of an uptrend toward higher targets.

Royal Bank may have a minor correction toward the 40wMA but only a sustained decline below \$124-125 would cancel the current upside potential.

Point & Figure measurements provide targets of \$149 and \$159 (12% and 19% appreciation potentials from yesterday's close). Higher targets are visible.



TD Bank (TD - \$80.80) started a downtrend below a falling trendline (dashed line) in early-2022 and the 10wMA crossed below the 40wMA in June confirming the negative trend. However, unlike all the other major Canadian Banks (with the exception of Nation Bank), TD did not experience a lower low in 2023, but rather found support near previous lows at ±\$76 (shaded area).

Over the past few weeks, TD had a modest move above the falling trendline as well as the 40wMA (A) and the 10wMA crossed above the 40wMA to suggest the end of the downtrend. However, the stock dipped below the 40wMA recently to suggest additional base-building. Only a sustained rise above \$87 would signal a breakout and higher targets. There is good support near \$80-81 and then again at \$76; a decline below the latter would be negative.

A rise above \$87 would signal Point & Figure targets of \$94 and \$104 (8% and 20% appreciation potentials from breakout levels). Potentially higher targets are visible.