

EnCana Corporation

Price (May 25, 2009) \$58.49
 52-Week High-Low \$97.64-\$41.36
 Shares O/S 750.6 million
 Market Cap \$43.9 billion
 50-day Average Volume 2,241,800
 200-day Average Volume 2,866,500
 Year-End December 31
 Symbol TSX: ECA



Source: www.bigcharts.com

Financial Data

Selected Income/Cash Flow

	Year End	Last 12 Mos
(US\$millions)	Dec-08	Mar-09
Revenues, Net of Royalties	\$30,064	\$29,238
EBITDA	\$13,748	\$14,492
Net Income	\$5,944	\$6,813
Cash Flow (CF) From Operations	\$9,386	\$8,941
Free Cash Flow	\$1,132	\$1,007

Selected Balance Sheet

	Year End	Last 12 Mos
	Dec-08	Mar-09
Cash (& Equivalents)	\$383	\$629
Total Debt	\$13,433	\$13,768
Shareholders' Equity	\$22,974	\$23,368
Total Assets	\$47,247	\$47,585
Working Capital	\$1,708	\$2,454
Working Capital Ratio	1.44x	1.72x

Key Ratios

	Year End	Last 12 Mos
	Dec-08	Mar-09
EBITDA Margin	45.7%	49.6%
Return on Equity (ROE)	25.9%	29.2%
Return on Assets (ROA)	12.6%	14.3%
Sales Per Share	\$40.05	\$38.95
Earnings Per Share	\$7.92	\$9.08
Free Cash Flow Per Share	\$1.51	\$1.34

Multiples

	Year End	Last 12 Mos
	Dec-08	Mar-09
Price/EPS (multiple)	7.19x	5.68x
Price/EBITDA (multiple)	3.11x	2.67x
Price/Cash Flow (multiple)	4.56x	4.33x
Equity Book Value Per Share	\$30.61	\$31.13
Cash Per Share (March 2009)	\$0.51	\$0.84
Enterprise Value (\$ millions)	\$55,804	\$51,870
Enterprise Value Per Share	\$74.35	\$69.10

eResearch Analyst: Bob Weir, B.Sc., B.Comm., CFA
 the UpTrend.com Analyst: Stephen Whiteside

eResearch Corporation 56 Temperance Street, Suite 501 Toronto, ON M5H 3V5 Telephone: 416-643-7650 Toll Free: 877-856-0765	theUpTrend.com 2 Bloor Street West, Suite 100 Toronto, ON M4W 3E2 Telephone: 416-915-6396
---	--

THE COMPANY

EnCana Corporation is a leading North American natural gas producer, with one of the largest on-shore holdings of natural gas and oil resource lands. The Company is recognized for its knowledge and experience in the in-situ recovery of bitumen. EnCana's other operations include the transportation and marketing of crude oil, natural gas, and natural gas liquids, as well as the refining of crude oil and the marketing of refined petroleum products. The majority of EnCana's operations, including its proved reserves and production output, come from Canada and the U.S.A.

STRATEGY

In the current challenging economic environment, with a global recession, low commodity prices, volatile financial markets, and limited access to capital markets, EnCana remains focused on its key business objectives of maintaining financial strength, generating significant free cash flow, optimizing capital investments, and continuing to pay shareholders a stable dividend.

CORPORATE INFORMATION

EnCana Corporation
 1800, 855 – 2nd Street SW, Box 2850
 Calgary, Alberta T2P 2S5
 Tel: (403) 645-2000; Fax: (403) 645-3400
 Website: www.encana.com



Note: This report was prepared with public information only.



1. SHORT-TERM TECHNICAL CONSIDERATIONS

The daily technical price charts set out below are the basis for our current bearish view on EnCana's stock.

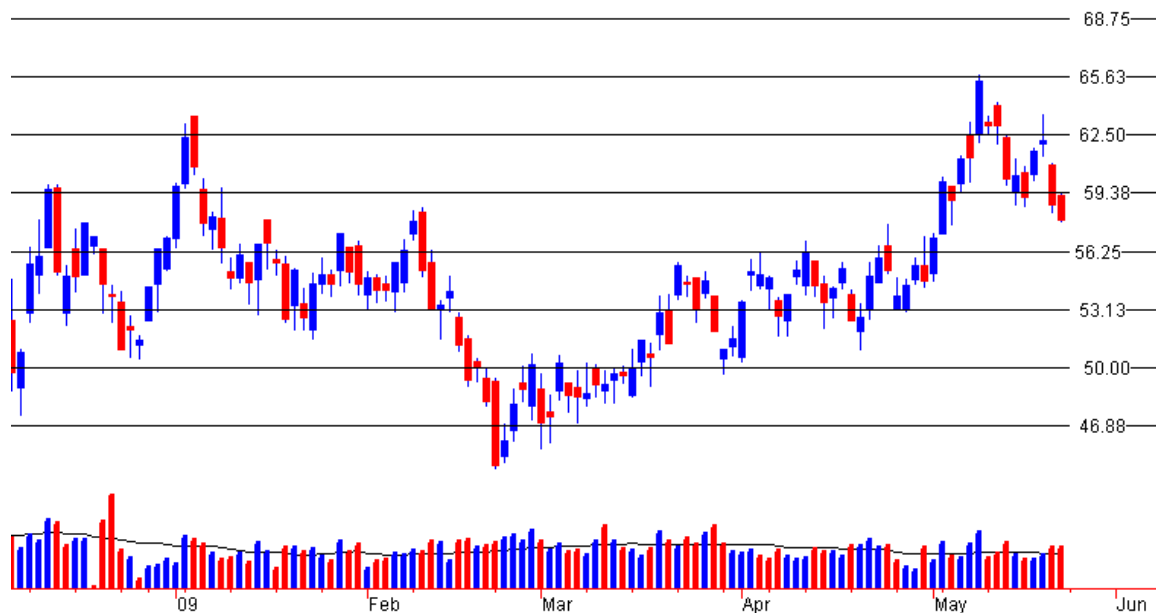
The first chart shows that, since reaching the price target ten days ago of \$65.63 (shown on the chart), EnCana's shares have been trying to find support. This did not occur at \$62.50 nor at \$59.38.

However, the chart shows that there is considerable price support at \$56.25, and then \$53.13.

But, seasonal weakness (see Chart 4, page 4) from now until early July may take the stock all the way back down to \$50.00, before a new lower-risk buying opportunity develops.

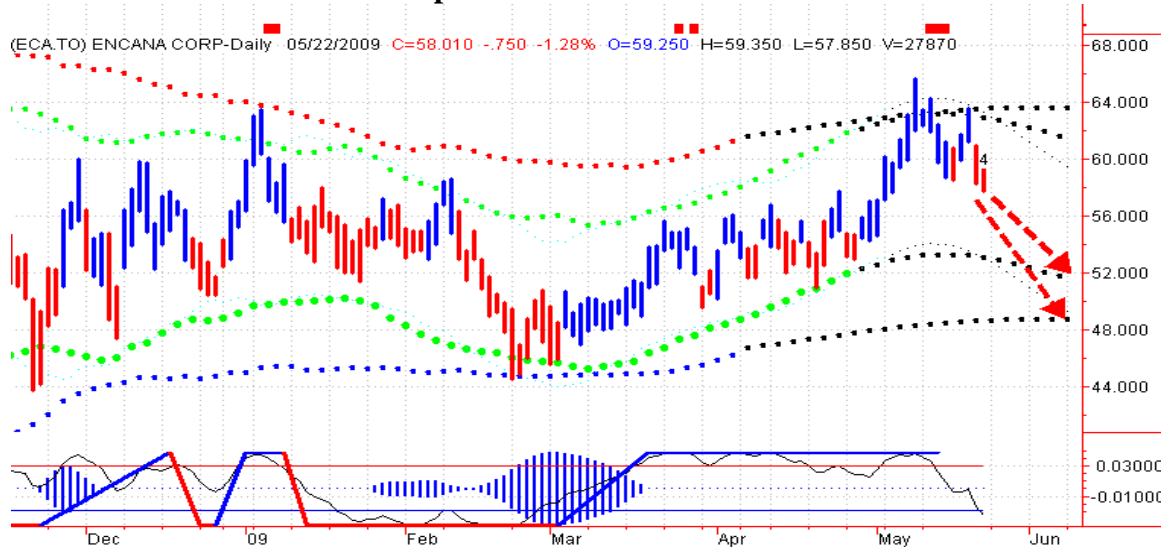
Chart 1: Resistance and Support

(ECA.TO) ENCANA CORP-Daily 05/22/2009 C=58.010 -750 -1.28% O=59.250 H=59.350 L=57.850 V=27870



This \$50 target fits in with our current daily projections, which shows EnCana moving down into the \$48.50 - \$52.00 area.

Chart 2: Short-Term Trend Expectations



Current projections for lower prices would be nullified if EnCana shares generated a new Daily Buy Signal, which would be confirmed if the stock closed above \$61.90.

Chart 3: Daily Buy Signal

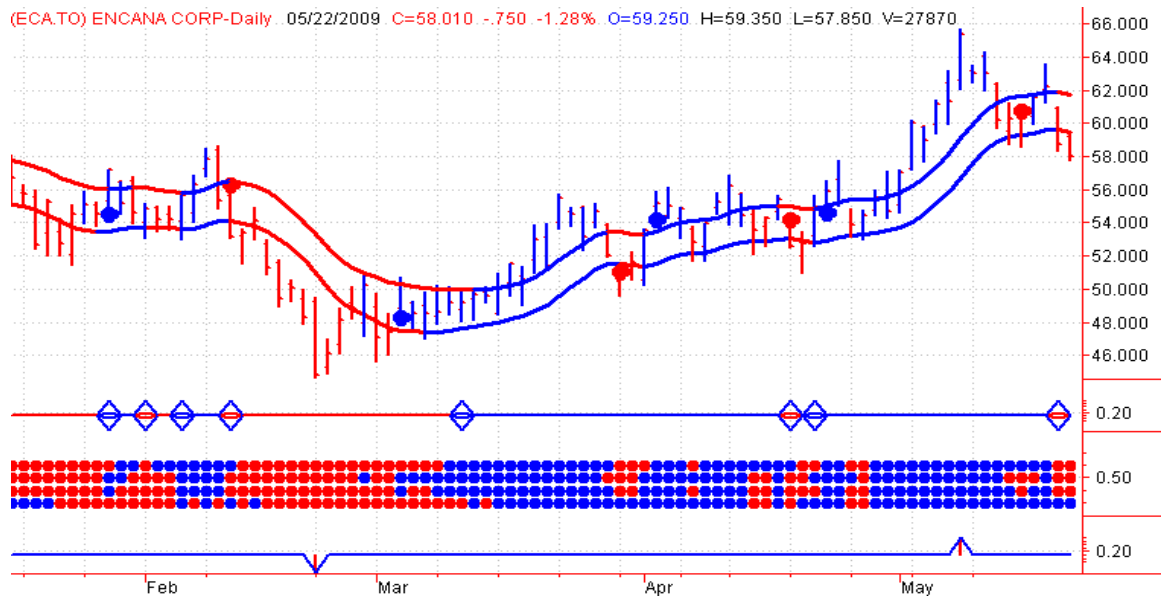
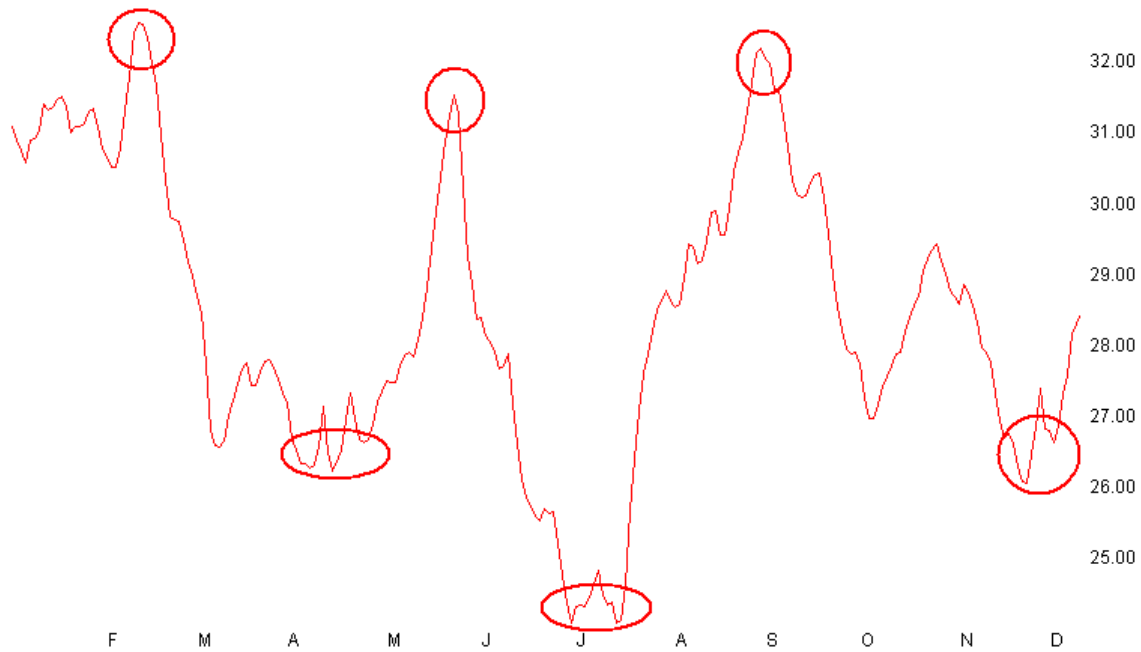


Chart 4: Seasonal Tendencies

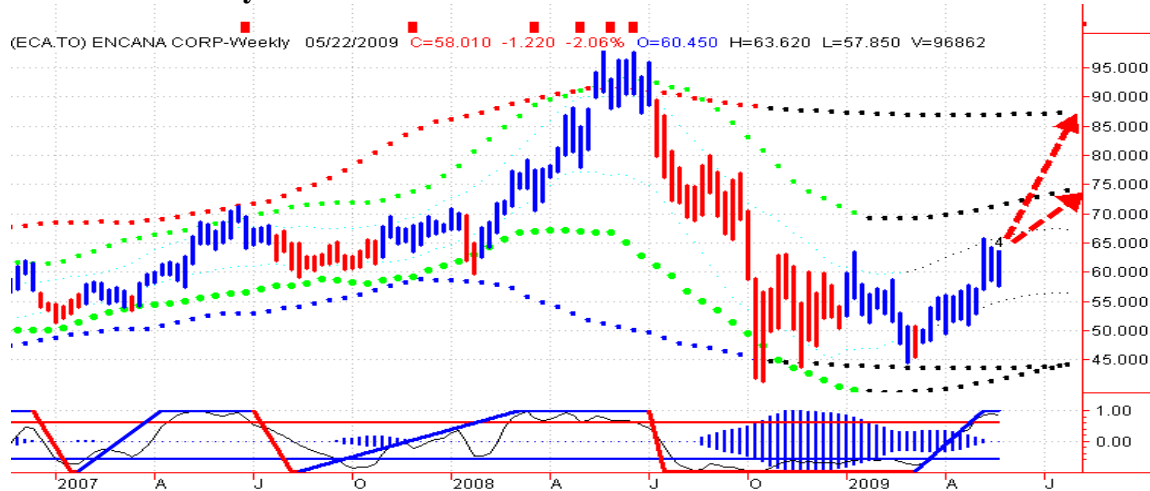
Typically, EnCana sees seasonal strength in early February, mid May, and late August/early September. It experiences seasonal weakness in April, early July, and late November. Thus, the next buying opportunity would be expected to occur in July 2009.



2. INTERMEDIATE-TERM TECHNICAL CONSIDERATIONS

Looking ahead to later this year, the chart below indicates that EnCana's stock could move up into the \$75 - \$87 area.

Chart 5: Recovery Potential



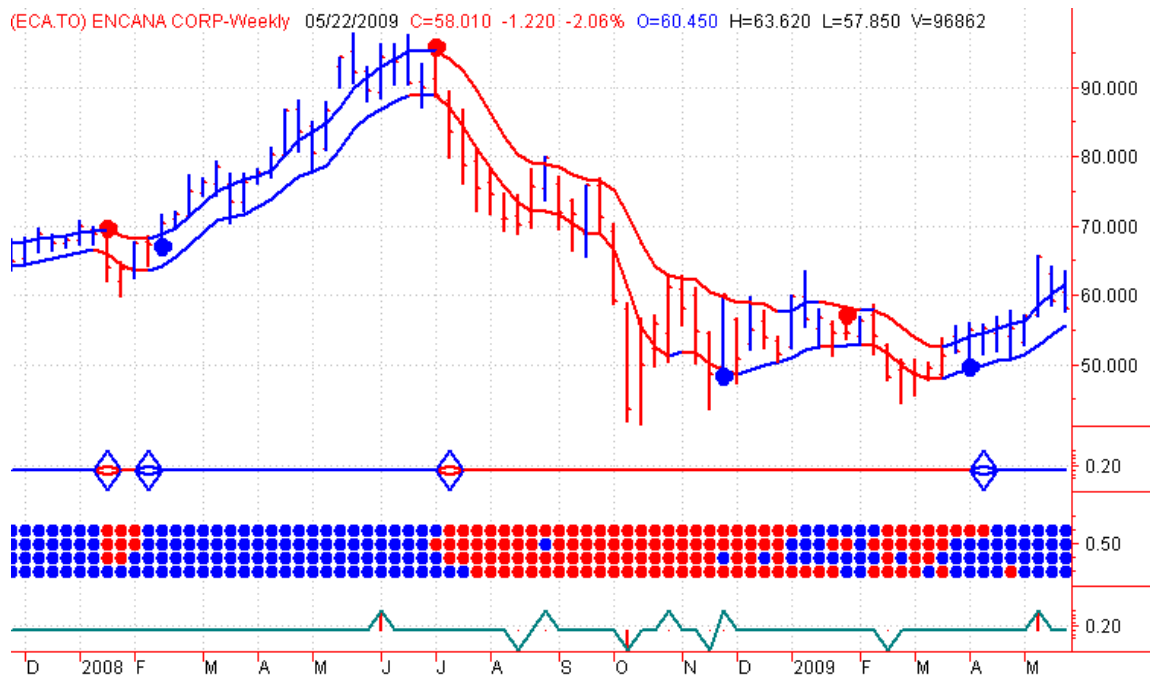
However, there is considerable overhead resistance that may keep EnCana below \$65.00 for some time. The chart below shows that the Fly Paper channel acted as major support for EnCana during its up-trend but, in its current down-trend, it is acting as resistance. After trying for three weeks to break out of the channel, EnCana's stock has now started to break down below the channel.

Chart 6: Longer-Term Resistance and Support



The intermediate trend is still up, but is currently stalled, and reversing. Based on the May 22, 2009 weekly closing price, investors who currently own the stock should continue to hold it for as long as it does not break its weekly up-trend, which would occur if it closed below \$55.10 on a weekly basis.

Chart 7: Weekly Signals



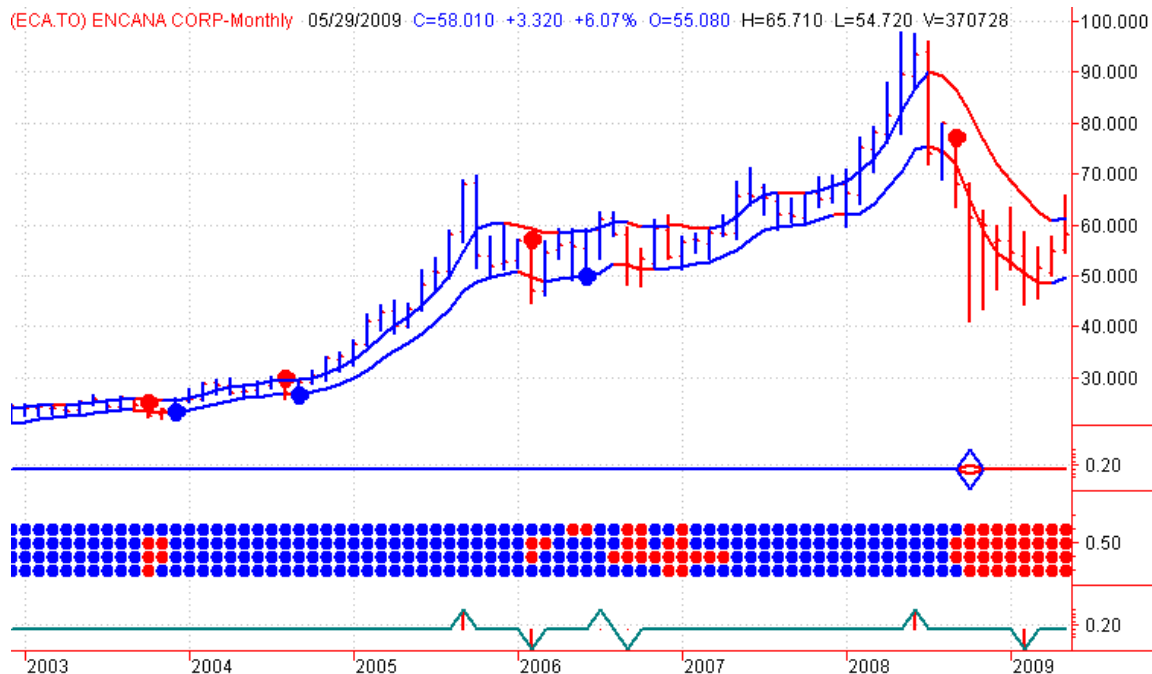
3. LONG-TERM TECHNICAL CONSIDERATIONS

Long-term investors who may be interested in considering purchase of the stock should wait at least until the next period of seasonal weakness (early July) for a lower-risk buying opportunity.

The last long-term sell signal was generated in July 2008, when EnCana first closed below the lower channel line at \$73.90.

A monthly close above \$63 would generate a new long-term buy signal.

Chart 8: Longer-Term Prospects



4. CONCLUSIONS

The stock is coming off seasonal strength, with prices peaking ten days ago. There is no compelling technical reason to buy this stock today, and investors should wait for seasonal weakness to look for lower-risk entry points, down near \$50 a share.

Longer-term investors can continue to hold EnCana as long as the stock does not incur a close below \$55.10 on a weekly basis, or below \$50.00 on a monthly basis. The stock would shed its current bearish trend if it had a monthly close above \$63.



-8-

DISCLAIMERS

eResearch Disclosure Statement

eResearch is registered with the Ontario Securities Commission as a Securities Adviser and as a Limited Market Dealer. The business activities and operations associated with eResearch's registration as a Securities Adviser are carried out solely by its Research Services division, which provides research and analysis to the investment community. The business activities and operations associated with eResearch's registration as a Limited Market Dealer are carried out solely by its Capital Services division, which engages only in capital market services with Corporate Issuers and Accredited Investors. eResearch does not manage money or trade with the general public which, combined with the full disclosure of all fee arrangements, the strict application of its Best Practices Guidelines, and the creation of an effective "Chinese Wall" between the Research Services and the Capital Services divisions, should eliminate potential conflicts of interest.

eResearch makes all reasonable efforts to provide its research, via e-mail, simultaneously to all subscribers. eResearch posts all of its Research on its own website (www.eresearch.ca), disseminates its research through its extensive electronic distribution network, and provides notification of its research through newswire agencies.

theUpTrend.com Disclosure Statement

TheUpTrend.com is an information service for investors and traders, and is neither a recommendation nor an offer to buy or sell securities. TheUpTrend.com is not a broker or an investment adviser, and is not acting in any capacity to influence the purchase of any security. TheUpTrend.com and its personnel may already have positions in equities presented. TheUpTrend.com, its officers, directors, employees, and consultants shall not be liable for any damages, losses, or costs of any kind or type arising out of or in any way connected with the use of its products or services. In many instances, securities presented should be considered speculative with a high degree of volatility and risk. Before trading securities, an investor or trader should consult with a qualified broker, investment adviser, and/or other market professionals. All commentaries, suggestions, recommendations, and trade decisions are based solely on technical analysis and are not based upon company fundamentals, news, earnings, or rumors. Past performance is not indicative of future performance. Further information regarding theUpTrend.com can be obtained from its website: www.theuptrend.com.