

S&P/ASX 200 – Technical Perspective

22nd July 2017

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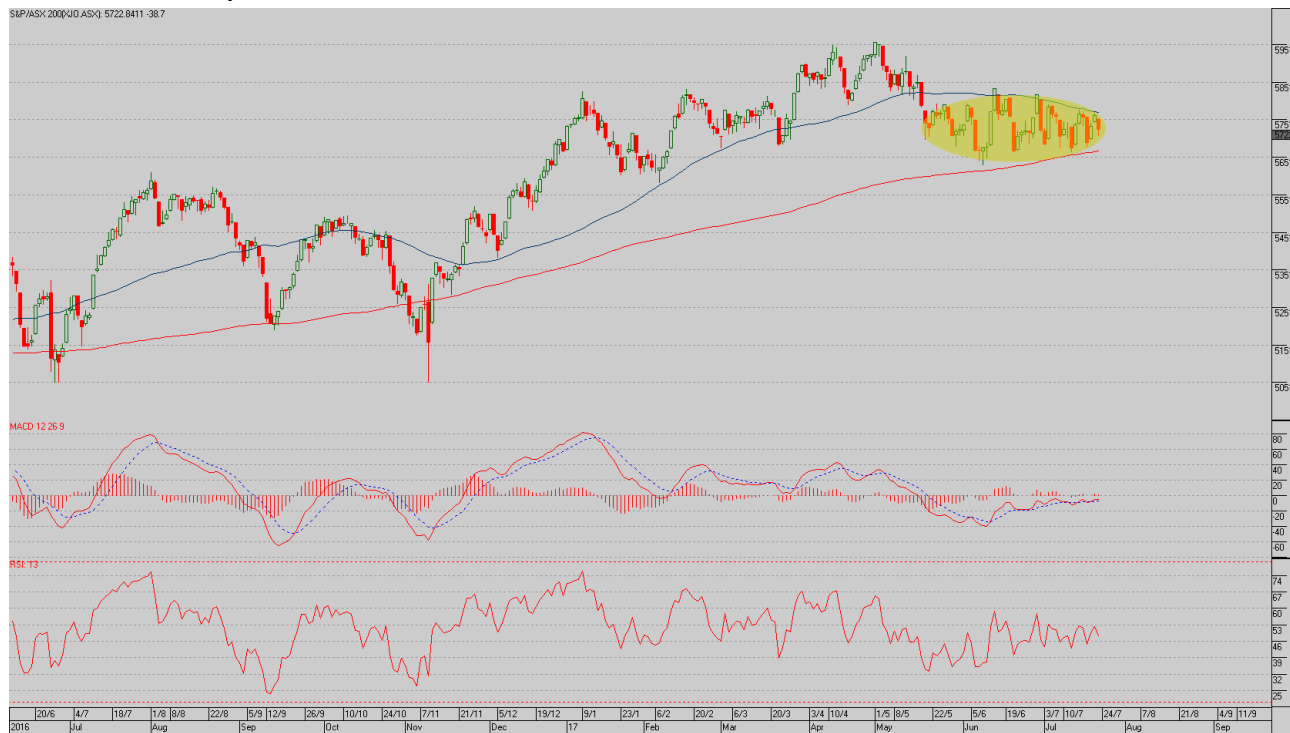


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I know I have been harping on about it over the past weeks but the time spent within the 60 and 200 day moving average is getting Ben Hur like, the original that is not the recent remake which you needn't waste your time seeing. It's now the tenth week within a weekly trading range and on the daily chart the action is getting tight. It was looking like the market could take off with the financial sector having a massive jump on Wednesday and continuing into Thursday with no real surprises from APRA and the economic outlook looking more upbeat. Alas the news of possibly higher rates crept in and again good news becomes bad news. Next week will be an interesting and telling one with the political drama in the US heating up and markets there having to take notice at some point. Getting back to the technical side of things and if you have a look at our monthly chart I believe we are in a period similar to that of mid-2013. We are in the middle of the upward trending channel and could come back around the 5500 to 5600 level and still be looking ok from a medium to long term point of view. The MACD and RSI indicators are neutral and we are currently finding support above the 10 and 20 month moving averages. A lot will depend on the financial sector considering it is the largest component of our market and with analysts predicting iron ore prices to come off in the medium term there is a lot of pressure on the financials to keep our market heading upward. Based on this, the medium-term outlook isn't great considering the financial sector is still technically in a downtrend when looking at the weekly with a lower low and nowhere near having a higher high yet. On a positive note, our property trust sector after taking a pummeling of late, benefitted this week from a decline in the US 10-year bond rate. In short from a technical viewpoint we are not out of the storm yet.

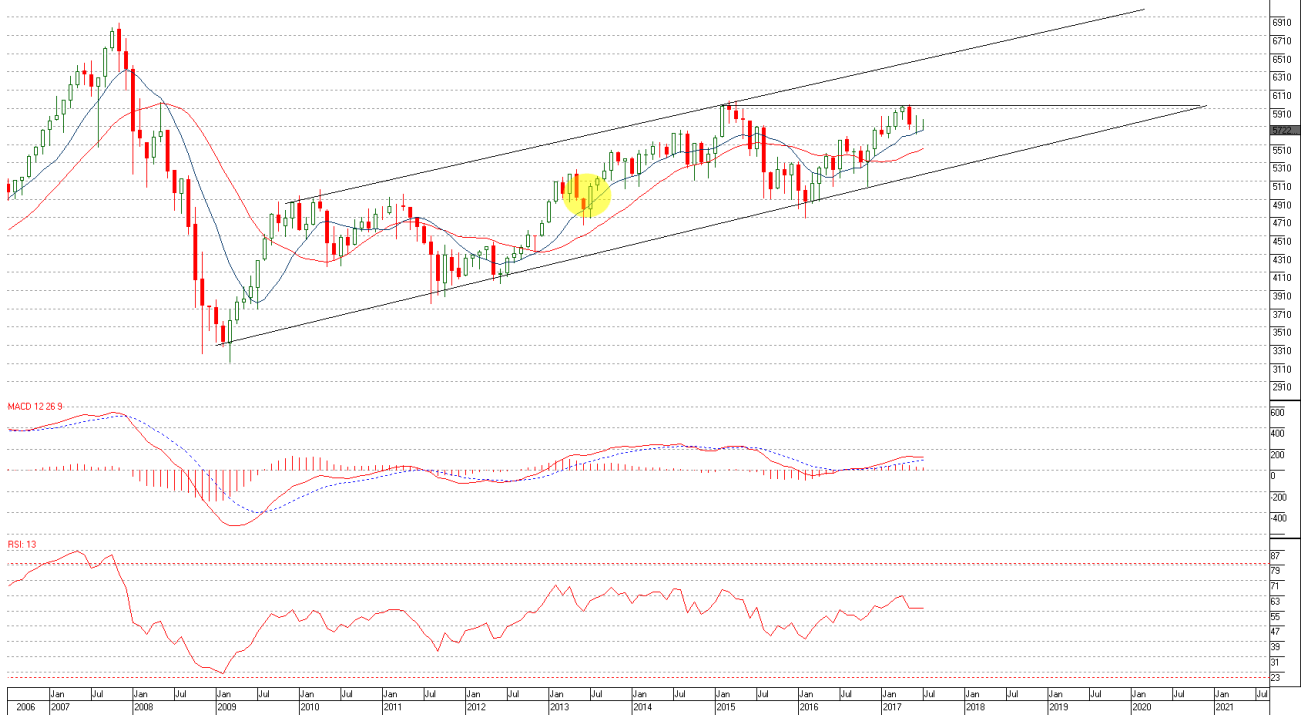
S&P/ASX 200 – Daily

S&P/ASX 200/410 ASX: 5722.8411 -38.7



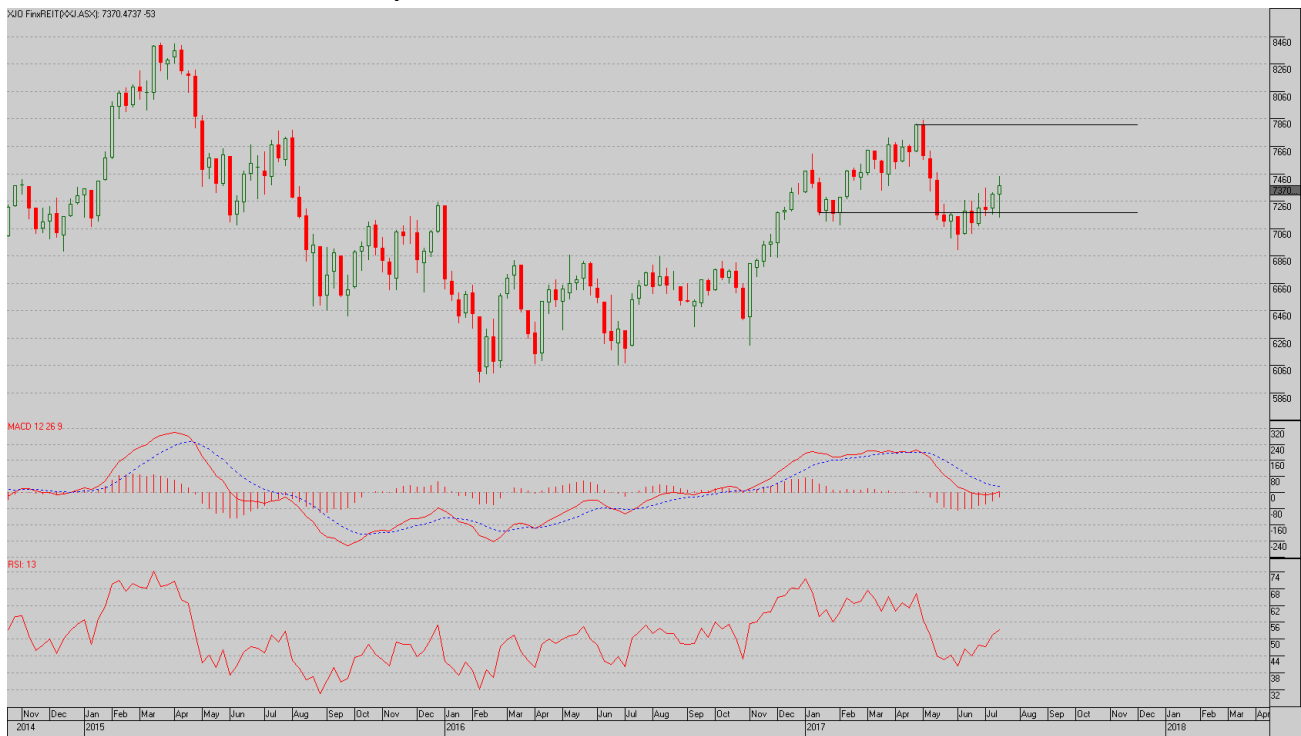
S&P/ASX 200 – Monthly

S&P/ASX 200(ASX) 5722.8411 -38.7

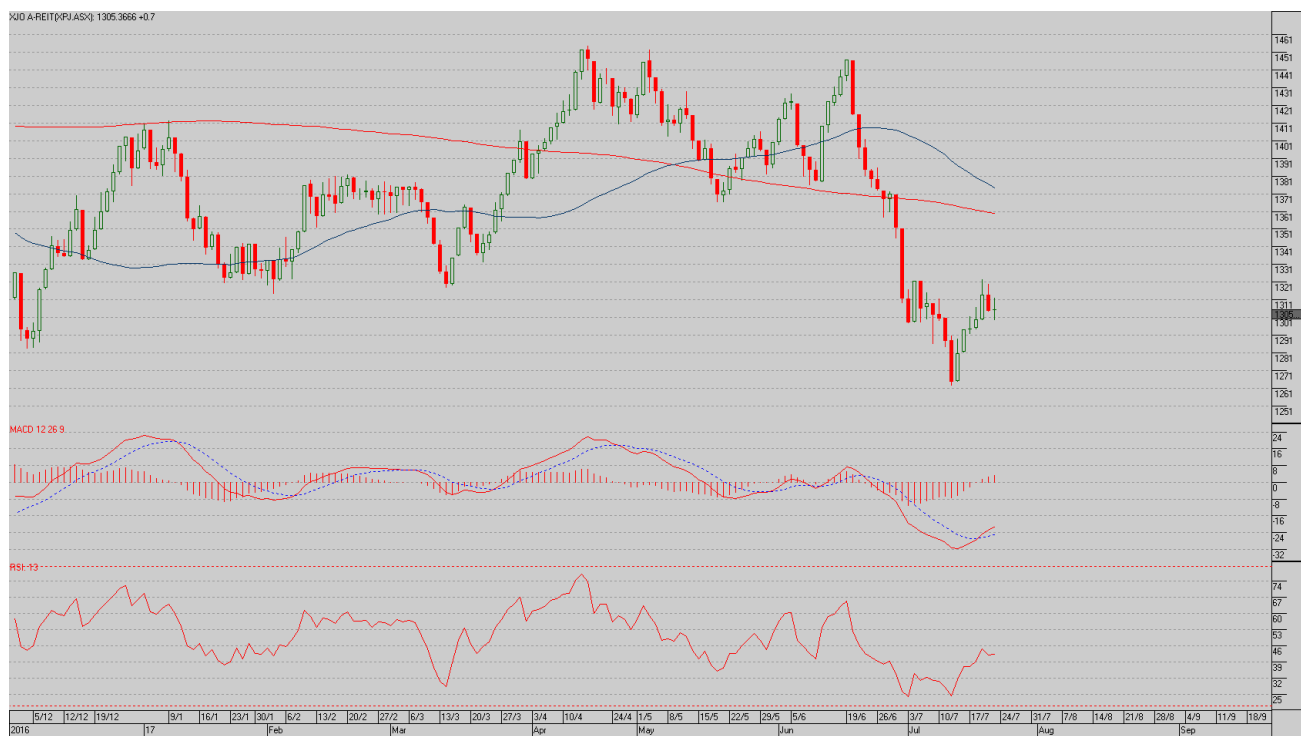


Financials Sector ex REIT's – Weekly

XJO FinREIT(ASX) 7370.4737 -53



Australian Listed Property – Daily



US 10-year Bond Rate – Daily



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