

# S&P/ASX 200 – Technical Perspective

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By Craig Parker Private Client Adviser and Senior Technical Analyst

Authorised Representative Sentinel Private Wealth AFSL 344762



MOAT CAPITAL

Thanks Donald! Just as we were heading for a possible breakout to the upside of a pennant pattern on the daily chart along comes the geo-political scare. All this talk of sorting out North Korea is now starting to take shape and is finally being reflected in the share market. Our volatility index is testament to that with a 24% jump on Friday (see below). Talk of a diplomatic solution overnight might see us pegging some of those losses back on Monday but I wouldn't be getting my hopes up. Hopefully the US military can sort out the mess in a similar time frame to that of the toppling of Saddam Hussein and we can all move on. Wouldn't it be nice if it were that easy? Let's hope China is part of the solution and doesn't become a part of the problem as share markets will see a very messy downside if that happens and most probably the least of our concerns. There isn't much to be discussed on the technical analysis front that hasn't been covered in the previous weeks however as mentioned earlier the volatility index is a little scary as it suggests further volatility to come which generally suggests downside. This along with a little jump in Gold prices all leads to signs of increased risk in the market. All eyes will be on the 1300 resistance level for Gold. Also need to keep an eye on the S&P 500 daily as it is right on a medium-term uptrend line and, any break below would suggest some weakening in the trend and possible reversal of the medium-term uptrend. For the moment, I think you can throw all forms of analysis out the window as markets are going to be driven in the short term by the geo political events and news cycle. I look forward to reporting back in next week.

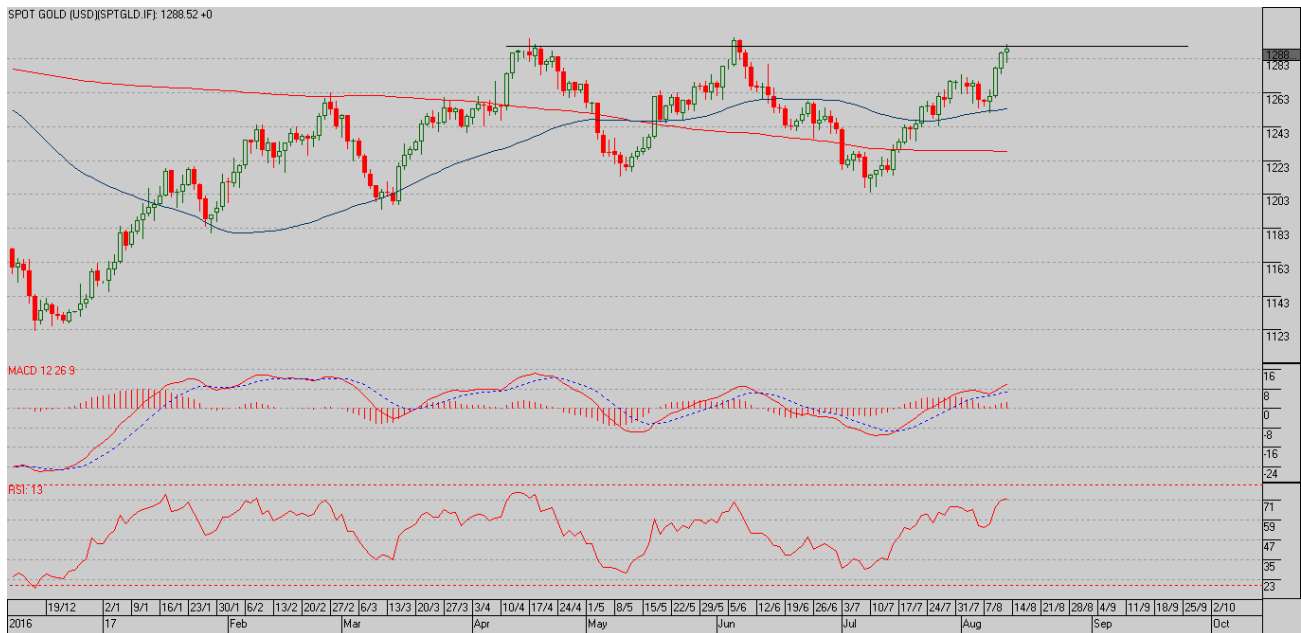
## S&P/ASX 200 – Daily



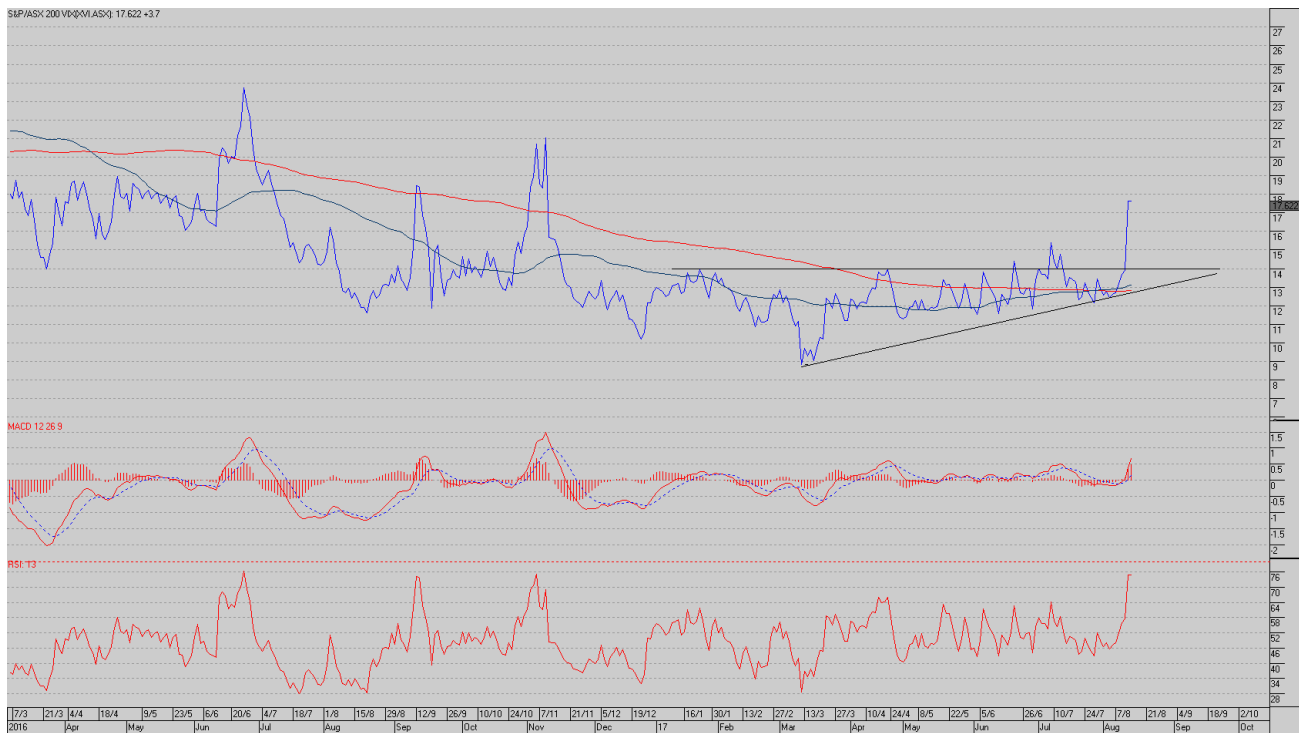
## S&P 500 – Daily



## Gold – Daily



## S&P/ASX 200 VIX (Volatility) – Daily



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