

# S&P/ASX 200 – Technical Perspective

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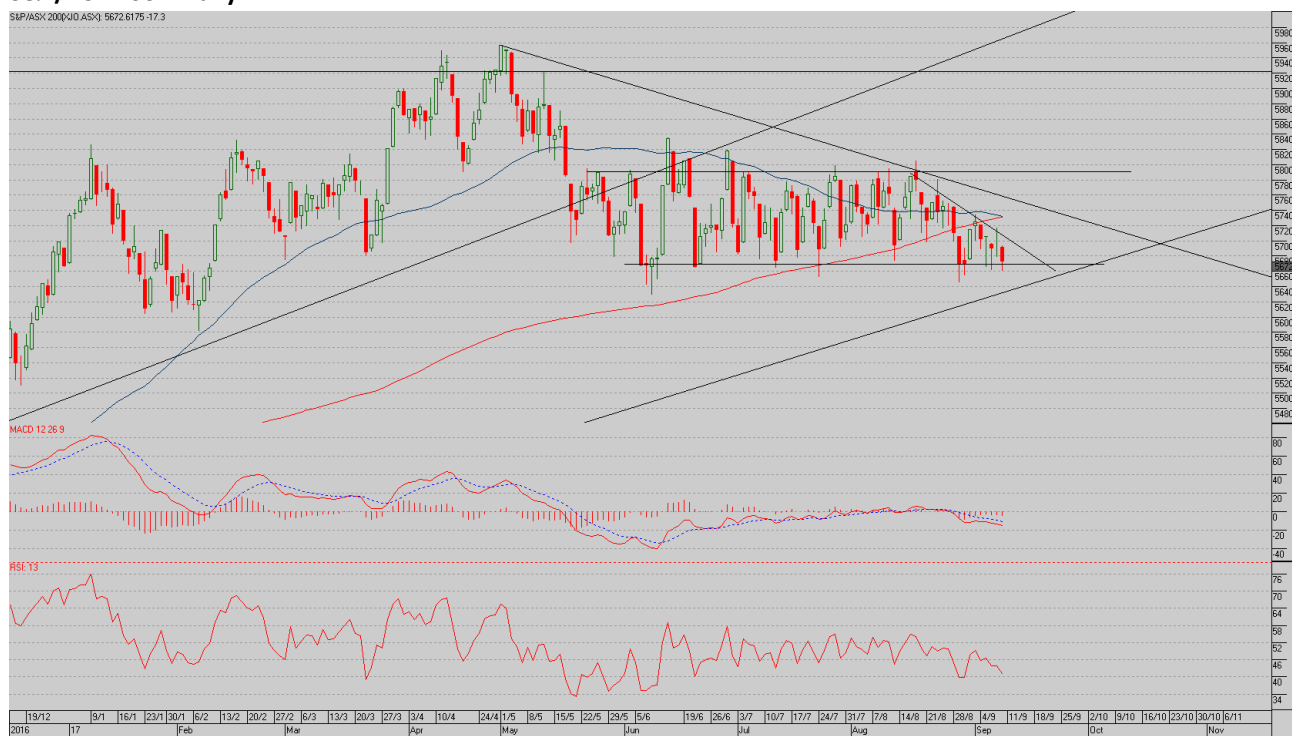


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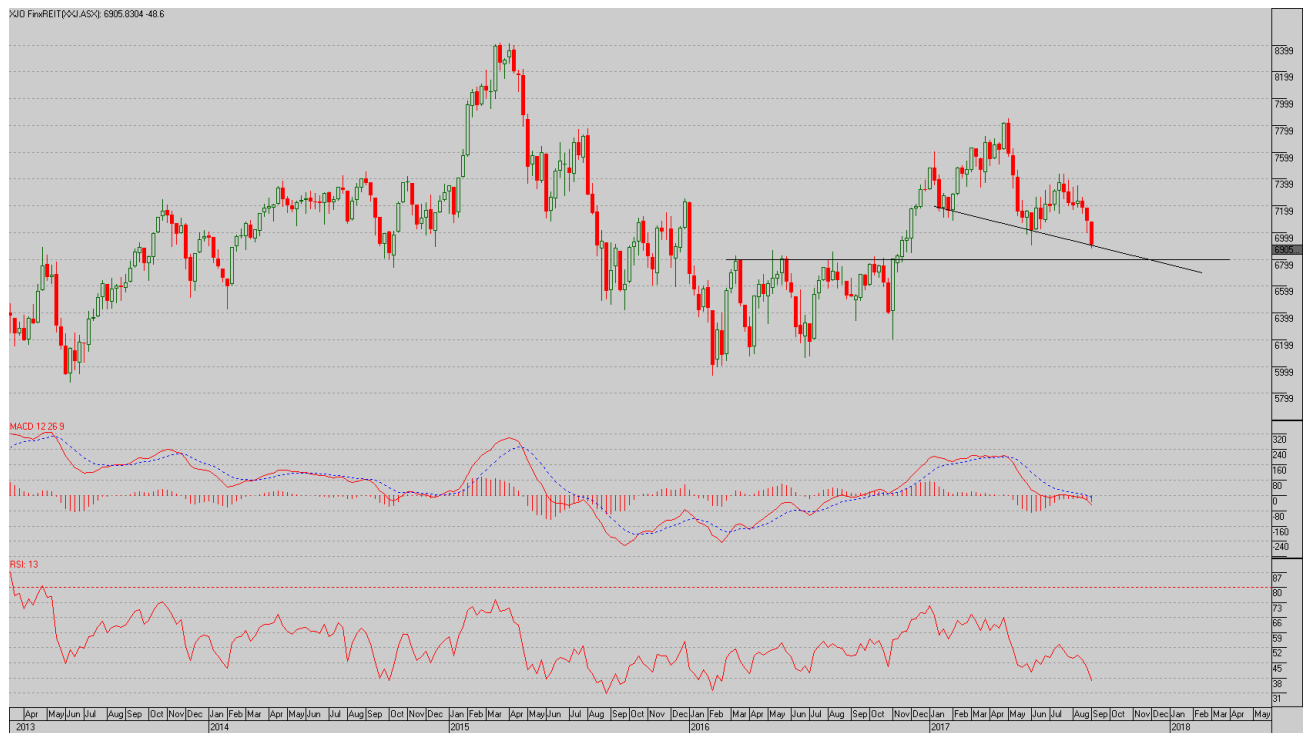
I am not sure how long it has been since we have had a sideways period that has lasted this long. It seems our market is just waiting for a catalyst to spur a sharp break to the upside or to the downside. I am not sure what news would inspire such a move to the upside. With the increasing pressure on banks and now I hear their lending practices are looking closer at people's living expenses when applying for a loan. This could be a big issue since most people I know who fill out a budget always under quote their living expenses. Now the onus is on the lenders and brokers to ensure the expenses are correct (especially considering they are obligated to request bank statements which prove expenses). This doesn't bode well for getting loans across the line considering the financial pressure most Australians are under. Unless lenders and brokers want to commit fraud, the banks may find it hard to get the same number of loans over the loan in the future. With the technical picture of the financials' sector below now in a confirmed downtrend the outlook is somewhat bleak. We may see some technical recovery on the financials chart in the short term around the supporting downtrend line (with buyers also jumping in on higher yield plays) however, long term could be a different story. In the short-term I will be looking out for a possible counter trend up, to begin around the old resistance level of 6800. To the S&P/ASX 200 and it is nearing the support line around 5665 and, from a technical point of view the descending triangle would suggest a break down through this level. The only issue here is the market is nearing a longer-term uptrend line which could provide the catalyst for some much-needed short term recovery. A break down through this level and the next possible level of support would be around 5500. With some serious weekly RSI bearish divergence on the S&P 500 along with our Australian dollar breaking out above 80 and the bullish run of Gold (suggesting a waning appetite for risk) the future is looking very uncertain for our local market.

## S&P/ASX 200 – Daily

S&P/ASX 200(410 ASX) 5672.6175 -17.3



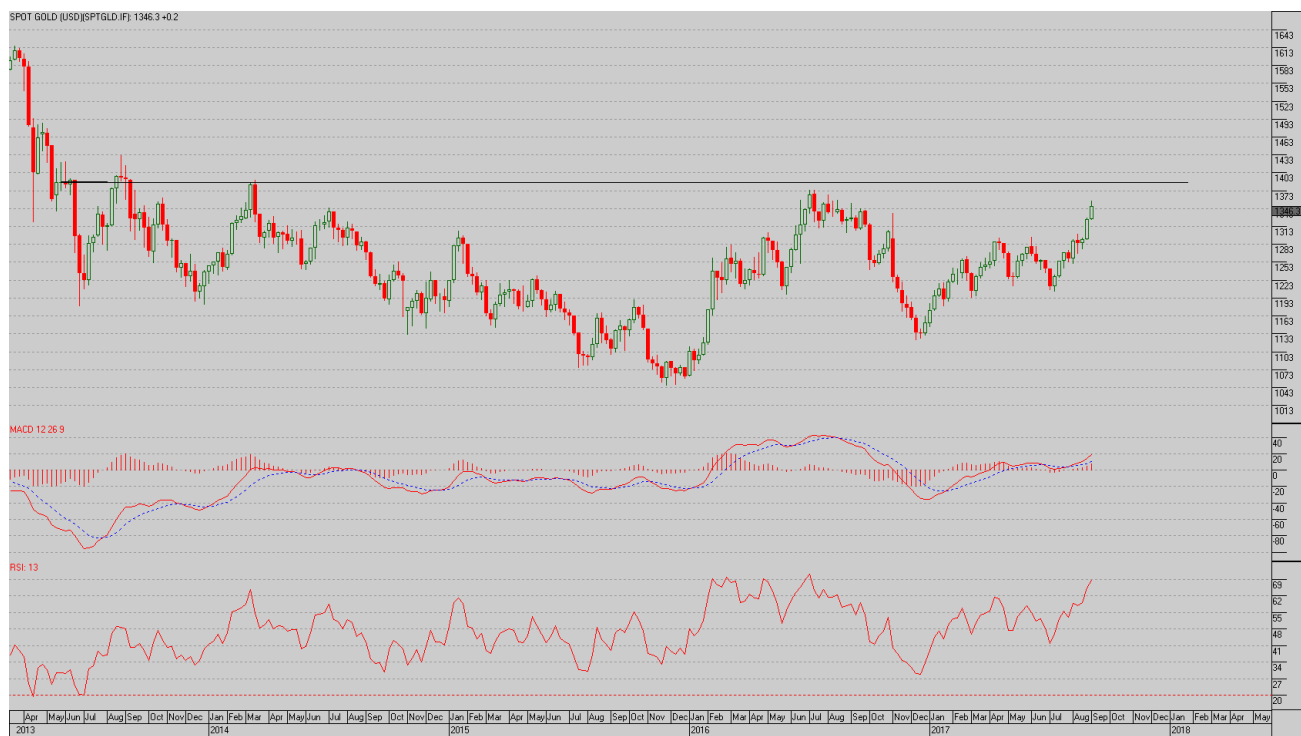
## Financials Sector ex REIT's – Weekly



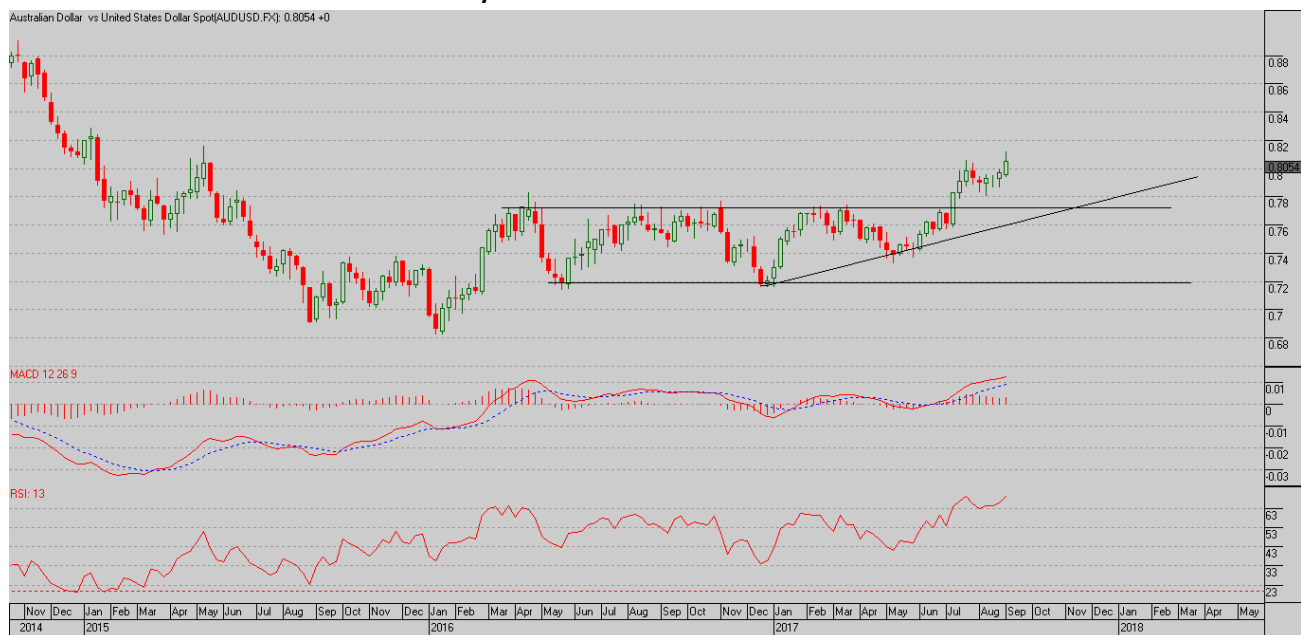
## S&P 500 – Weekly



## Gold – Weekly



## Australian Dollar Versus US dollar – Weekly



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