

S&P/ASX 200 – Technical Perspective

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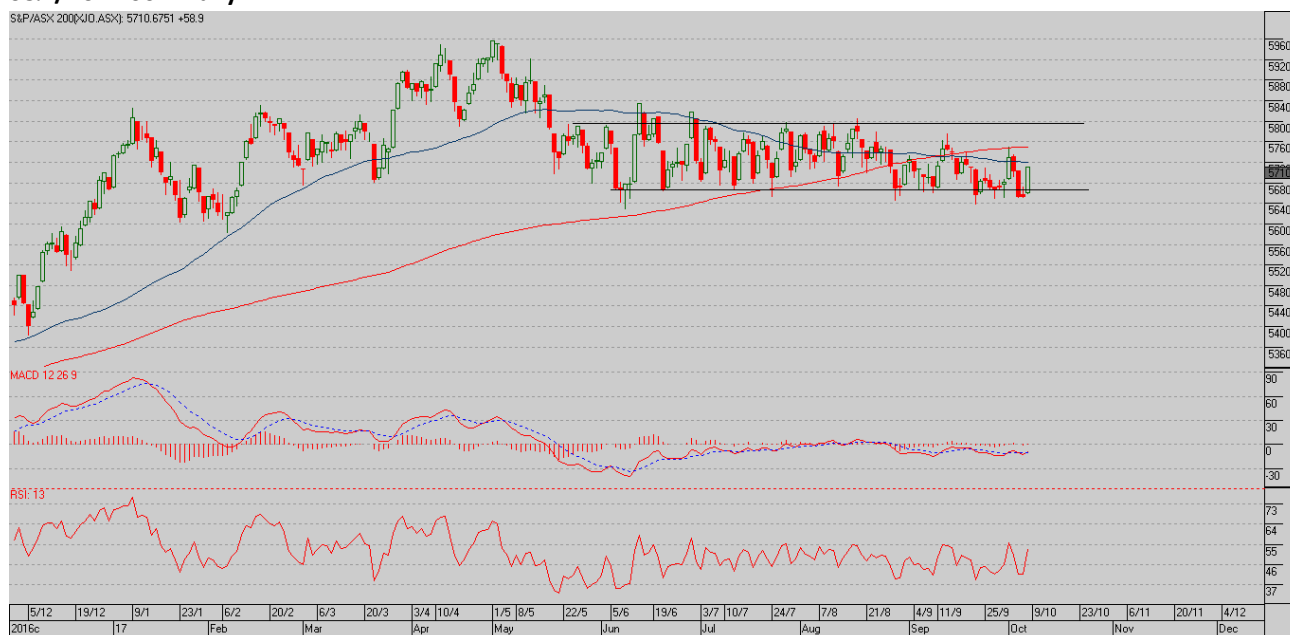


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Back where it all began. A start to the week that looked promising but proved to be false. Buy day Friday comes along and saves the week yet again. 5660 is proving to be a tough support barrier to break through on the downside. Let's hope the US can keep its upward momentum going for the near term to help lift our market back up to the top of the sideways channel. This could be an issue considering the S&P 500 has just gone into the stratosphere and doesn't bode well for an eventual decent correction. If you look at the S&P 500 weekly chart it will have to come back to the long-term uptrend line at some point in time and based on current market levels it would be a 14% correction. If the market continues its upward movement then the correction percentage will grow. Of course, a prolonged sideways action could also happen alleviating a large correction however, share markets rarely provide such a smooth transition back to long term trend lines and considering US financial institutions are looking to package up student loans into neatly bundled CDO's we could be in for another bumpy ride down the road. This will provide some great opportunities in the longer term. You think they would've learnt their lesson first time around. Clearly not enough punishment from the Obama regime to deter a second attempt. Not sure Trump would be so kind on the investment bankers and their risky debt instruments causing economic pain.

On a brighter note our dollar is continuing its slide down towards possible support along an old resistance level of 77 and our financials' sector is looking to buck the short-term downtrend although, I would be looking at the 60-day moving average for some possible resistance.

S&P/ASX 200 – Daily



Financials Sector ex REIT's – Daily

Australian Dollar Versus US dollar – Weekly

Australian Dollar vs United States Dollar Spot(AUDUSD,F3) 0.7756 +0



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