

S&P/ASX 200 – Technical Perspective

28th October 2017

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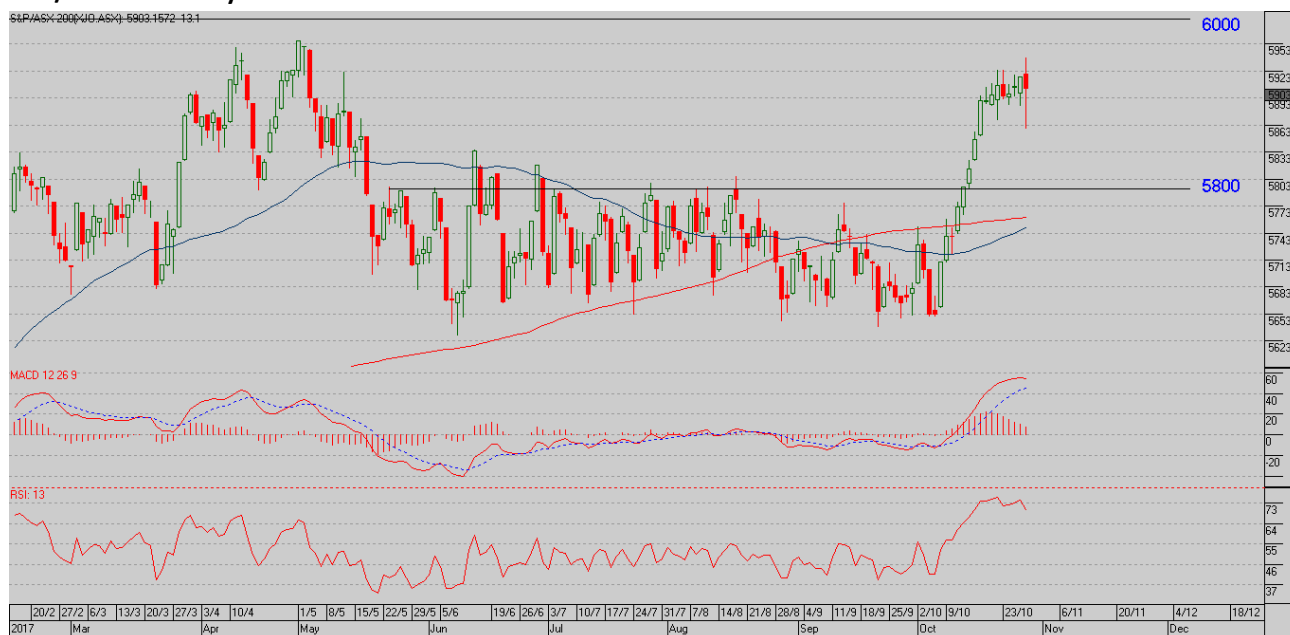
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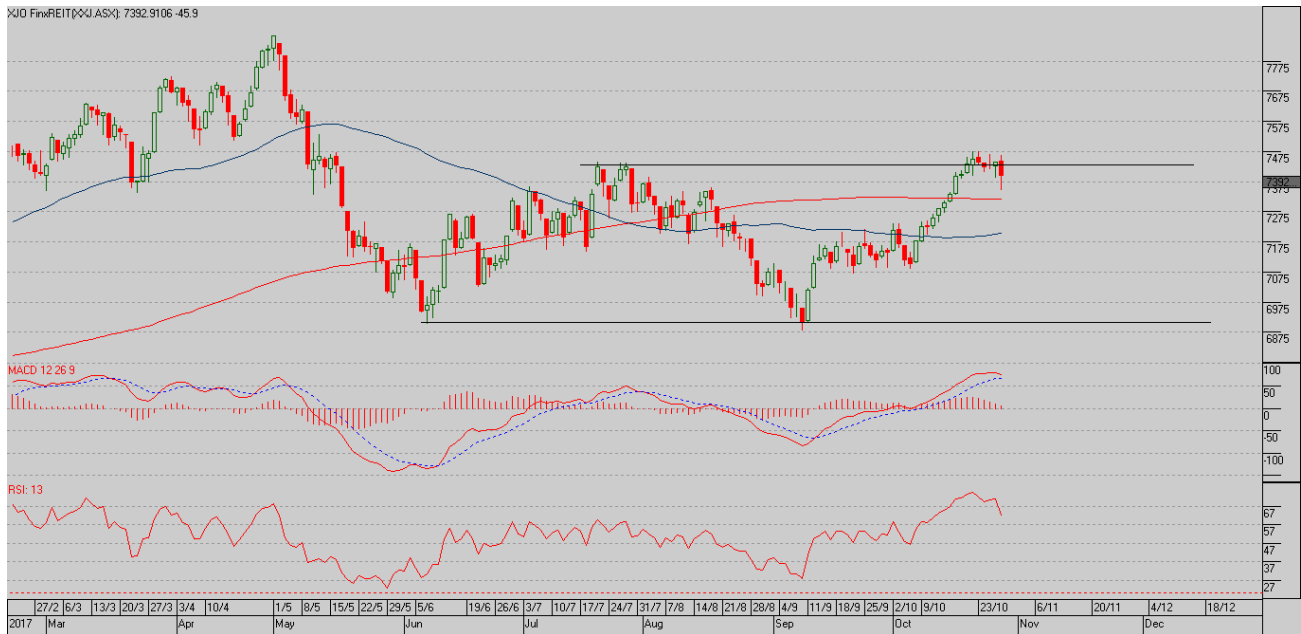
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5900 is the new 6000 as the ASX 200 does it's best to get back to 6000. Alas we have Monday and with the US markets rallying overnight it looks like it will be onwards and upwards. Even with our political turmoil we have seen it all before and no doubt we will recover. As mentioned in my previous report I still believe the 6000 level will see some resistance as we witnessed the week just gone. It seems Fridays have gone from buy day to volatile day with the last two Fridays being large outside ranges and yesterday being much larger than the previous Friday. This suggests some jitters and perhaps a counter trend in the medium term. In the short term we are likely to follow the US lead with large moves overnight on the NASDAQ and S&P 500. The NASDAQ was over 2% and a clear breakout in a strong uptrend. How long this can last is anyone's guess however, it is now a considerable distance from the 60-day moving average and history suggests it must come back to the 60-day moving average. The time frame is generally within weeks. The same can be said for the S&P 500 and it also has some serious RSI bearish divergence on the daily chart as highlighted. Oil is nearing some resistance so look out for some wavering around 54 next week. On the domestic front I will be watching the daily financials chart as it seems to be having trouble making a clear new high higher than the previous one. Hopefully next week it can break to new highs otherwise, it could slide back into the medium term down trend and at best a sideways channel. Considering this sector is a fair chunk of our market it is one to watch closely.

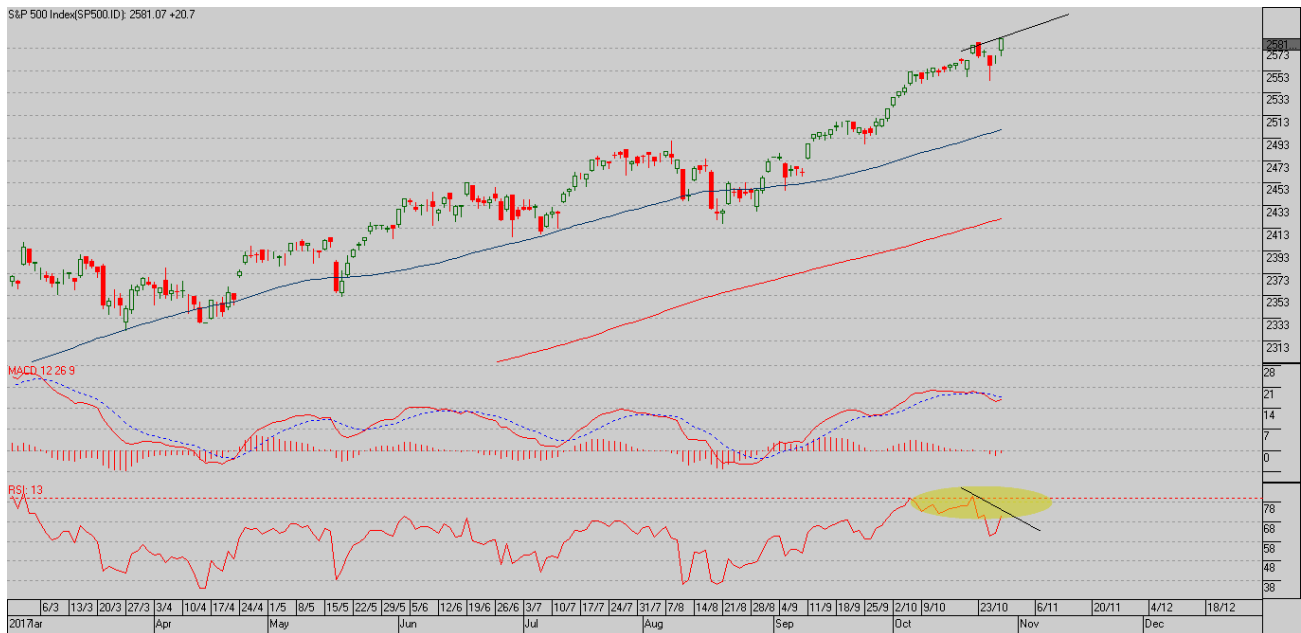
S&P/ASX 200 – Daily



Financials Sector ex REIT's – Daily



S&P 500 – Daily

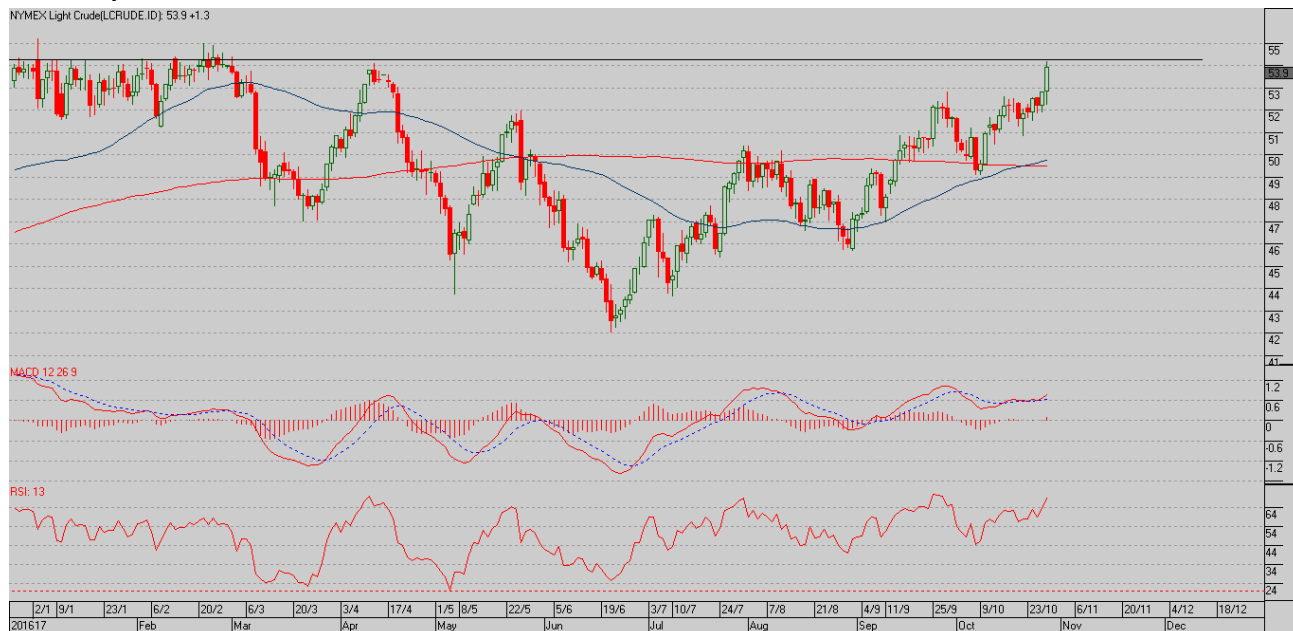


NASDAQ – Daily



Oil – Daily

NYMEX Light Crude(LCRUDE.ID): 53.9 +1.3



Source: Bourse Data

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