

S&P/ASX 200 – Technical Perspective

4th November 2017

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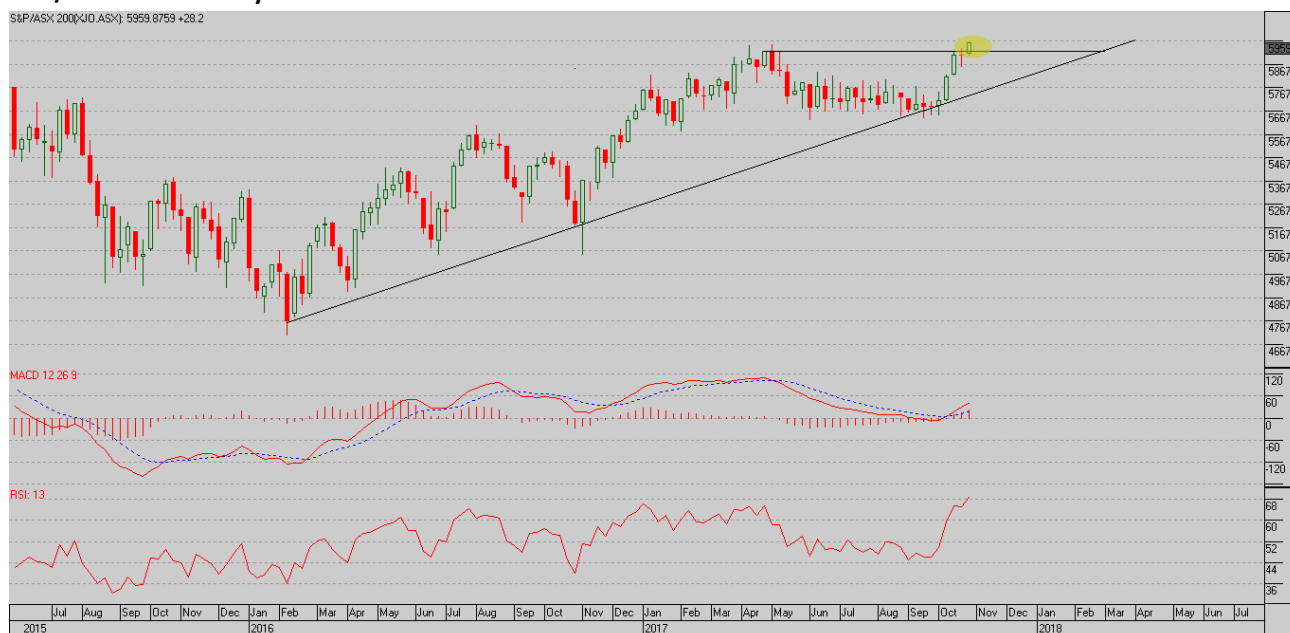
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6000 here we come! No missiles and a dovish nomination for Federal Reserve chair saw our market continue its merry way as predicted. Looking at our weekly ASX 200 chart below you can see we are now comfortably back into the longer-term uptrend and recently broken above the previous high which is great news from a technical point of view and suggests further upside over the medium term. Our financial sector is still struggling which is a bit of a negative however it has been offset by decent moves in the materials and energy sectors as can be seen by the charts below. On the plus side the financial sector is nearing an uptrend line which could provide some impetus for some upside although I'd be watching around the resistance level with some anticipation. Also on the positive side is our dollar which is in a clear short-term downtrend and doesn't appear to be getting any support around the old resistance level of 77. The energy sector really exploded this week and looks like it now has enough momentum to finally break out of the up-trending channel into a more serious uptrend. Especially considering overnight Light Crude closed clearly above the 55 level. In the short term all eyes on the S&P 500 and the very steep uptrend line on the daily chart accompanied by significant bearish divergence on the RSI. For me the S&P 500 is beginning to look like it needs to take a breather. Perhaps the rate rise in December will provide this.

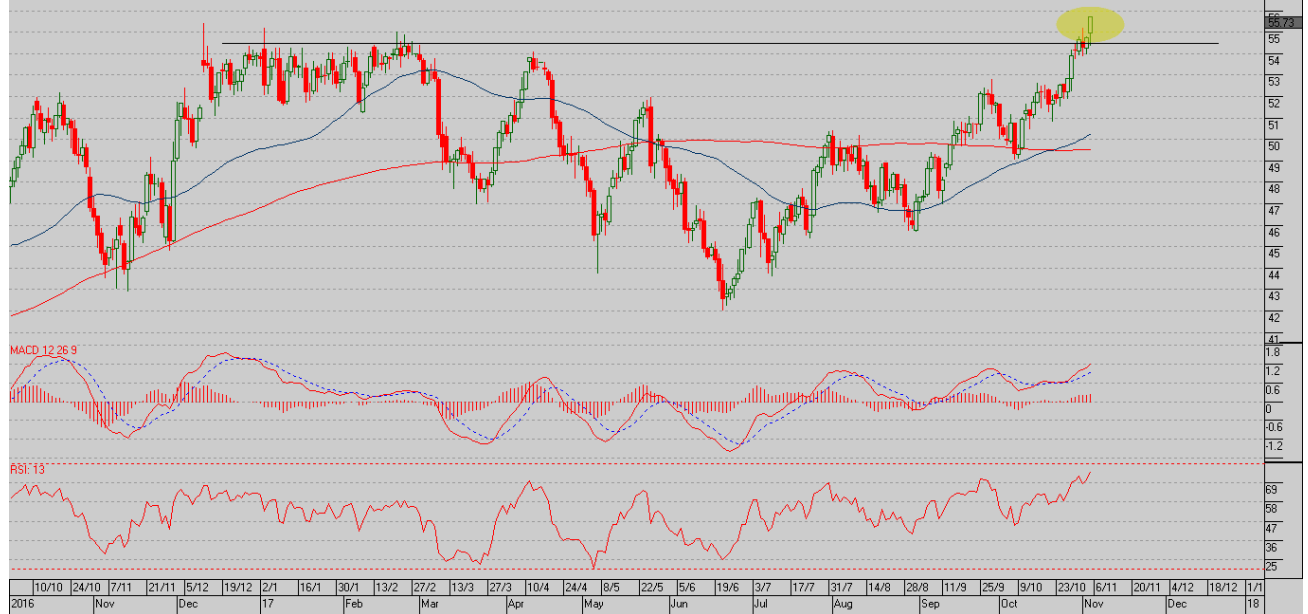
S&P/ASX 200 – Weekly



Financials Sector ex REIT's – Daily

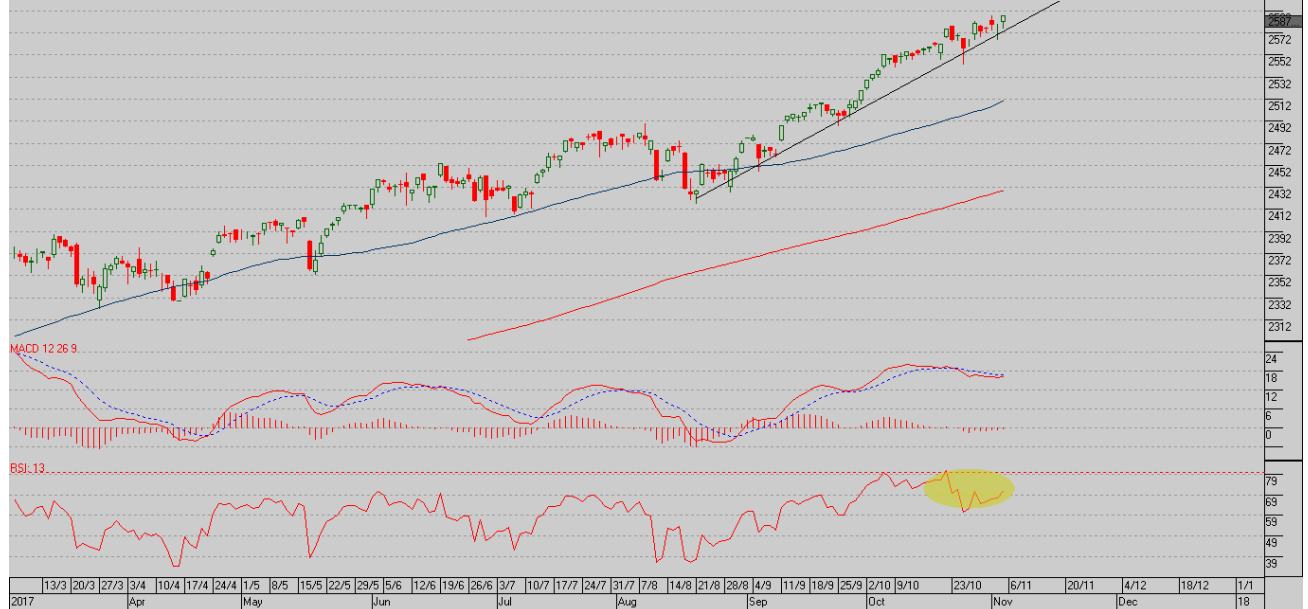
Light Crude – Daily

NYMEX Light Crude(LCRUDE.ID): 55.73 +1.2



S&P 500 – Daily

S&P 500 Index(SP500.ID): 2587.84 +8



Source: Bourse Data

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