

S&P/ASX 200 – Technical Perspective

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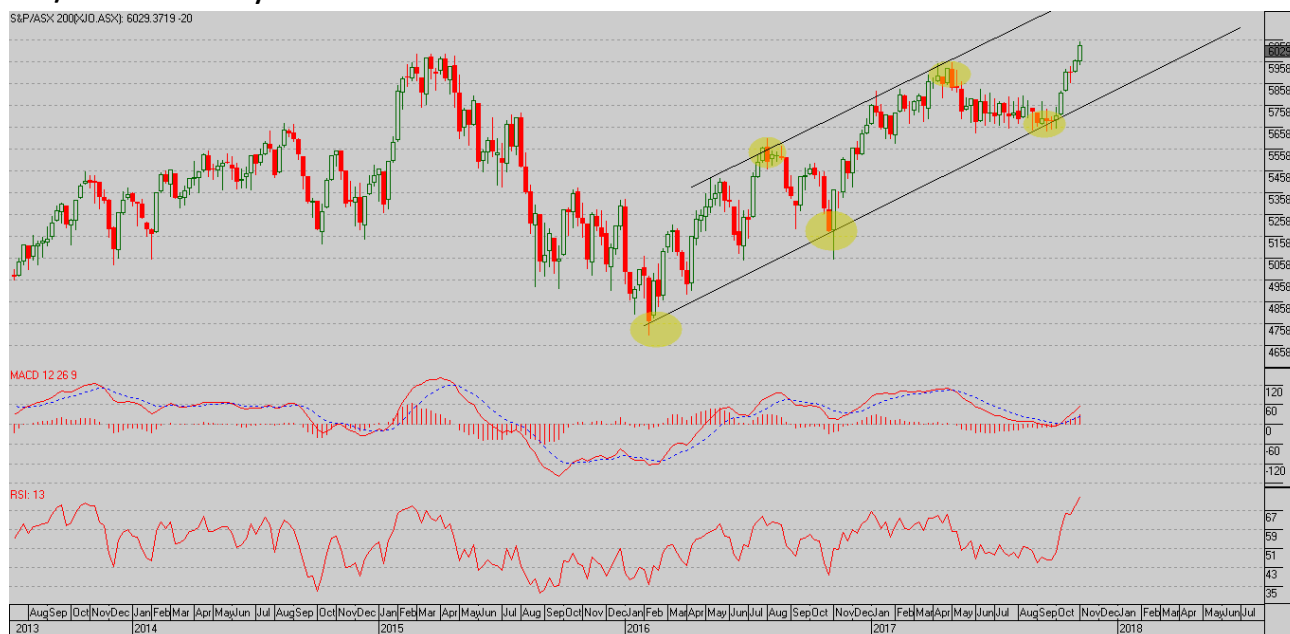
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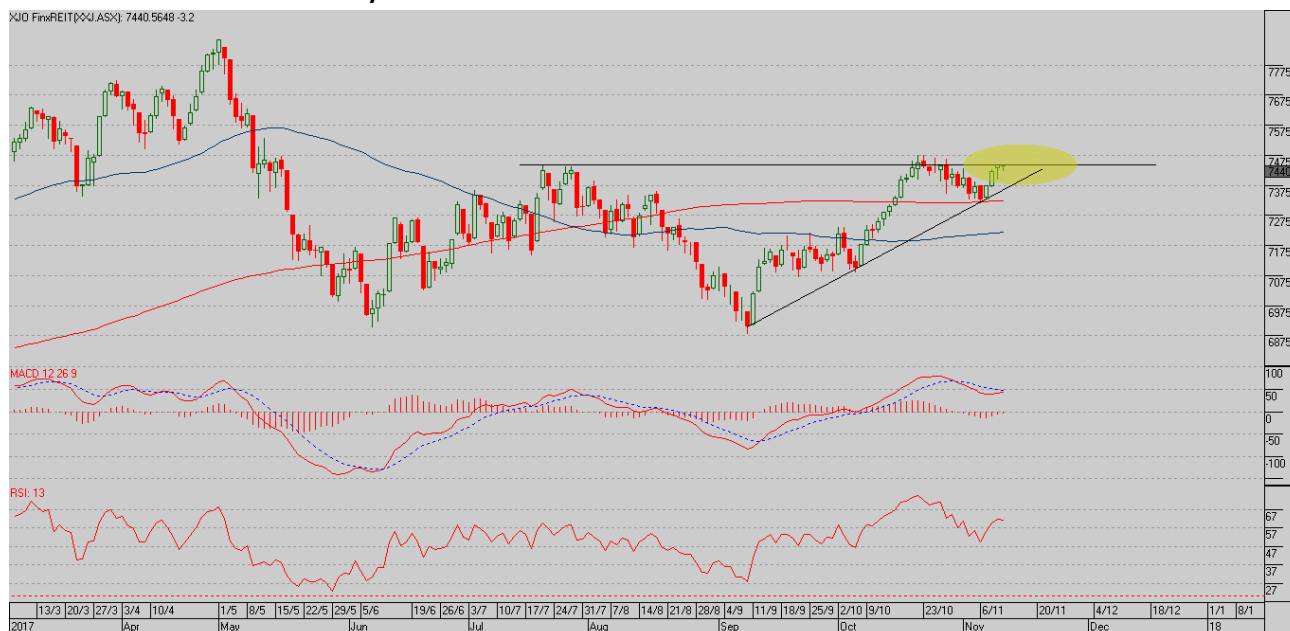
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So, what now? We've hit the 6000 and technically we are looking great. The ASX 200 could settle in between 6000 to 6100 before heading higher over the long term. This is assuming the currently weekly up-trending channel remains intact which I see no reason why it shouldn't. The one chart I'll be watching is the Financials sector as it is squeezing in to an ascending triangle pattern and a breakout up through the resistance would be a very good sign and help propel the overall market higher. Other sectors to keep an eye on are the Materials and Energy sectors as they have been the primary driver of the market rise in the past week or so. If Oil struggles around the 56 level, then this could be an issue and if our dollar decides to recommence its uptrend after it has now had a good counter trend then there could be some headwinds for the overall market in the near term. Our Property trust sector has done very well which has inversely correlated to the weakening US 10 Year rate. However, the US 10 Year rate is looking to move higher now it has had a decent counter trend, so this may put the brakes on the recent move higher in the Property trust sector. Another thing to look at is the recent spike in volatility. It will be interesting to see if this recent spike amounts to anything.

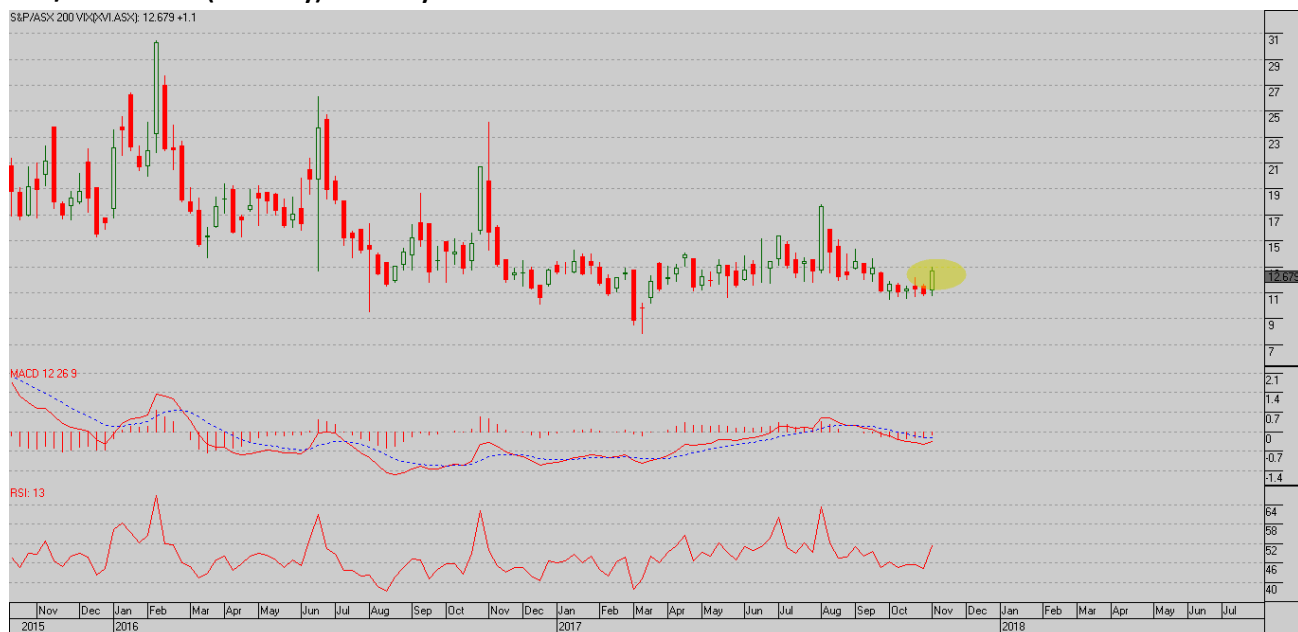
S&P/ASX 200 – Weekly



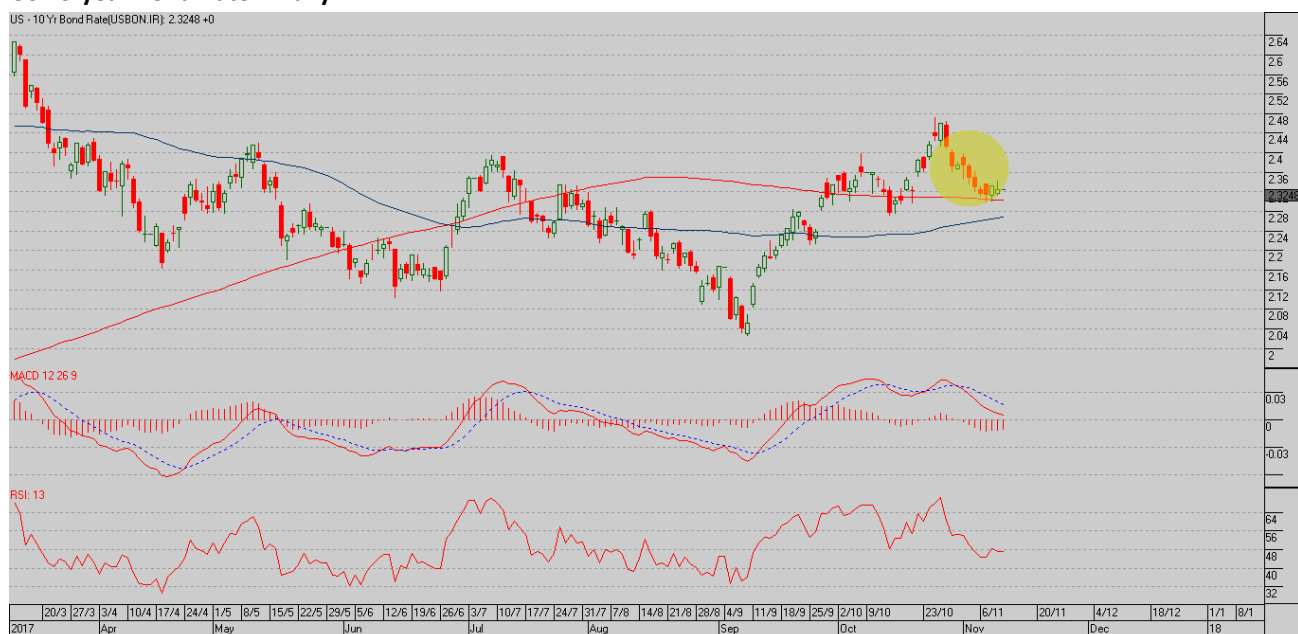
Financials Sector ex REIT's – Daily



S&P/ASX 200 VIX (Volatility) – Weekly



US 10-year Bond Rate – Daily



Source: Bourse Data

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