

S&P/ASX 200 – Technical Perspective

2nd December 2017

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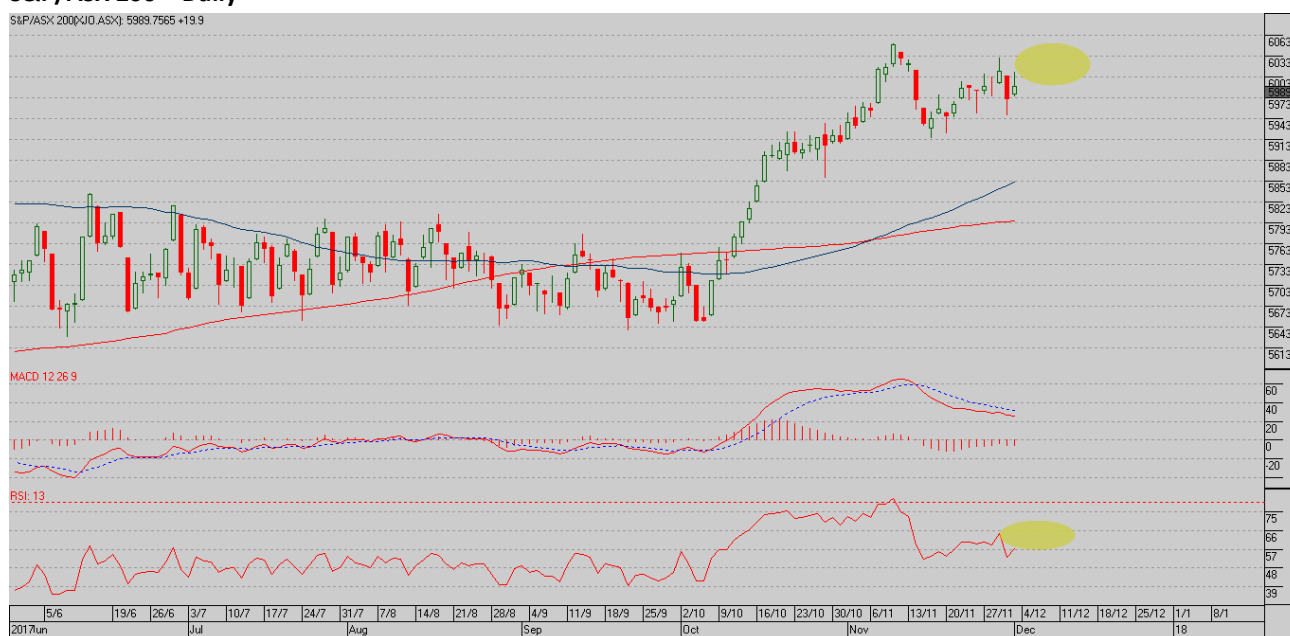
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Last week's report I mentioned that from a technical perspective the pattern I was looking for was a move back towards the 6000 level and with the clear bearish RSI divergence a move then, back down towards the 5900 level. This week we did happen to see a move back towards 6000 although I would prefer to see it go a little higher towards the highlighted section to form a peak around the same level as the previous peak and with a peak on the RSI indicator lower indicating short term weakness, I would be expecting a short term move lower thereafter. Some headwinds for further upward movements are our dollar readying for a move back up with some bullish divergence on the RSI daily, the Financial sector technically weak for the short term and could move back towards the long-term uptrend line and the US market having the tax reforms fully priced into the market with a correction needed. US volatility has also spiked indicating some uncertainty and there is a real struggle now with the US 10 Year Bond Rate which has just broken out from a short-term downtrend line and was looking to head higher and then closed lower overnight. From a technical point of view, it looks like the Bond Rate will move higher which will have negative implications for our property trust sector and will be mixed for our equities sector. All in all, an interesting week ahead. The festive season could get bumpy.

S&P/ASX 200 – Daily



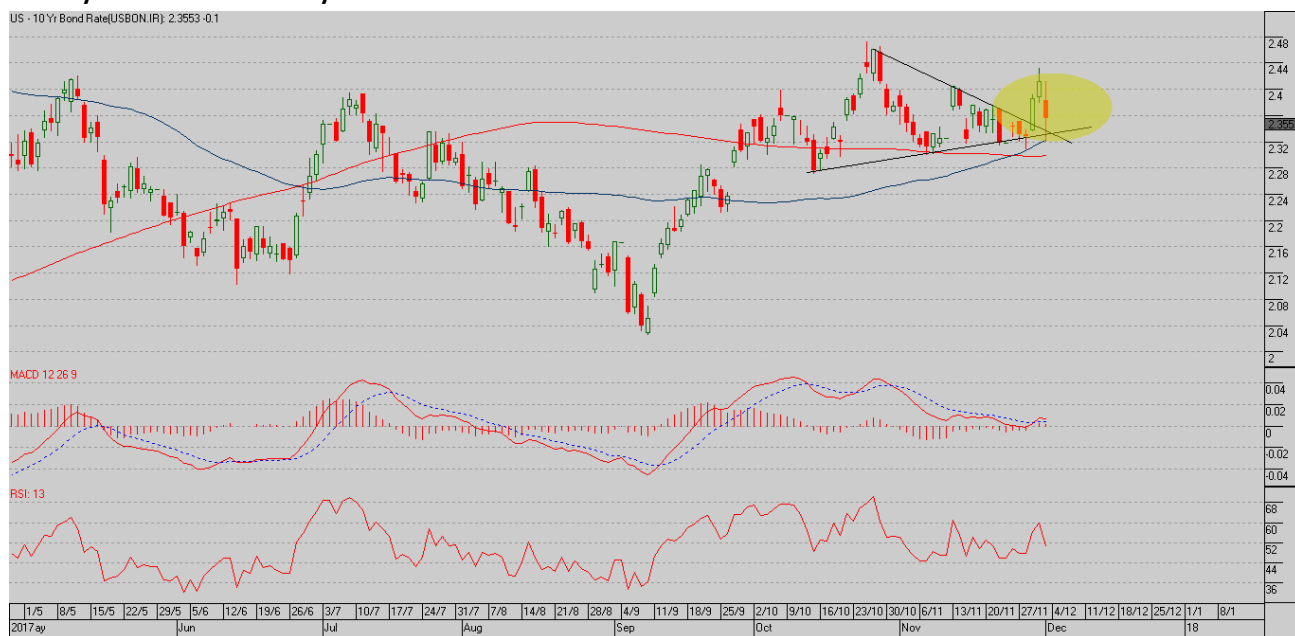
Financials Sector ex REIT's – Daily



US Volatility (CBOE Market volatility) – Daily



US 10-year Bond Rate – Daily



Australian Dollar Versus US dollar – Daily



Source: Bourse Data

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