

S&P/ASX 200 – Technical Perspective

23rd December 2017

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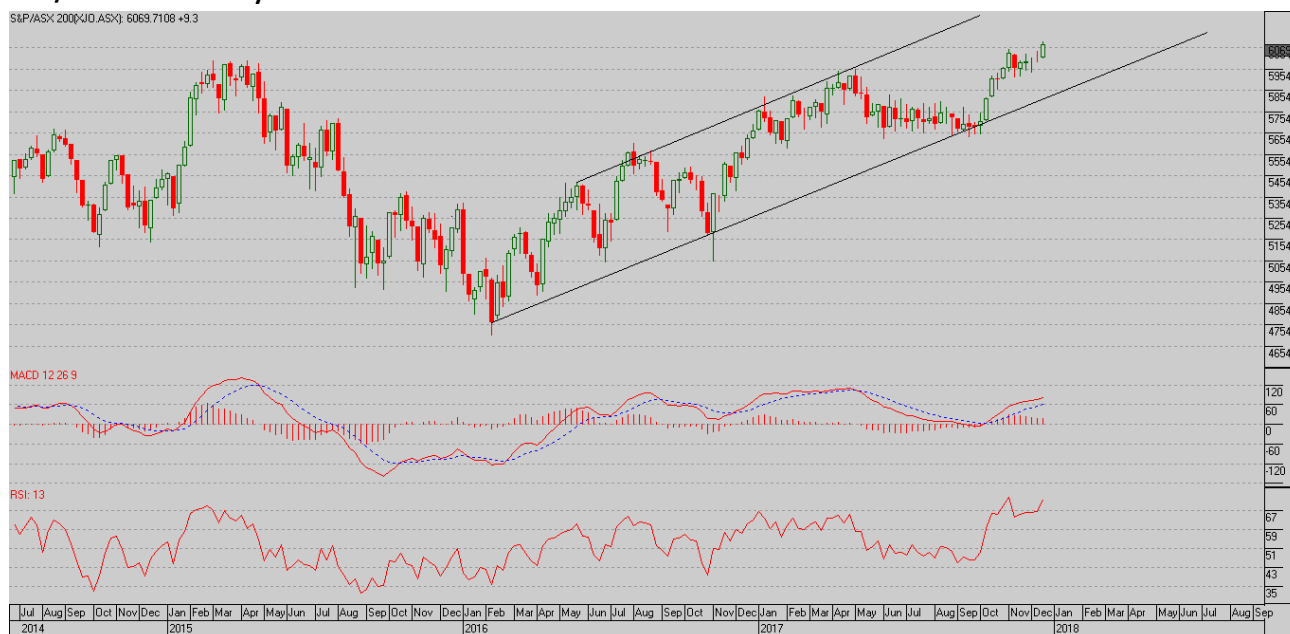
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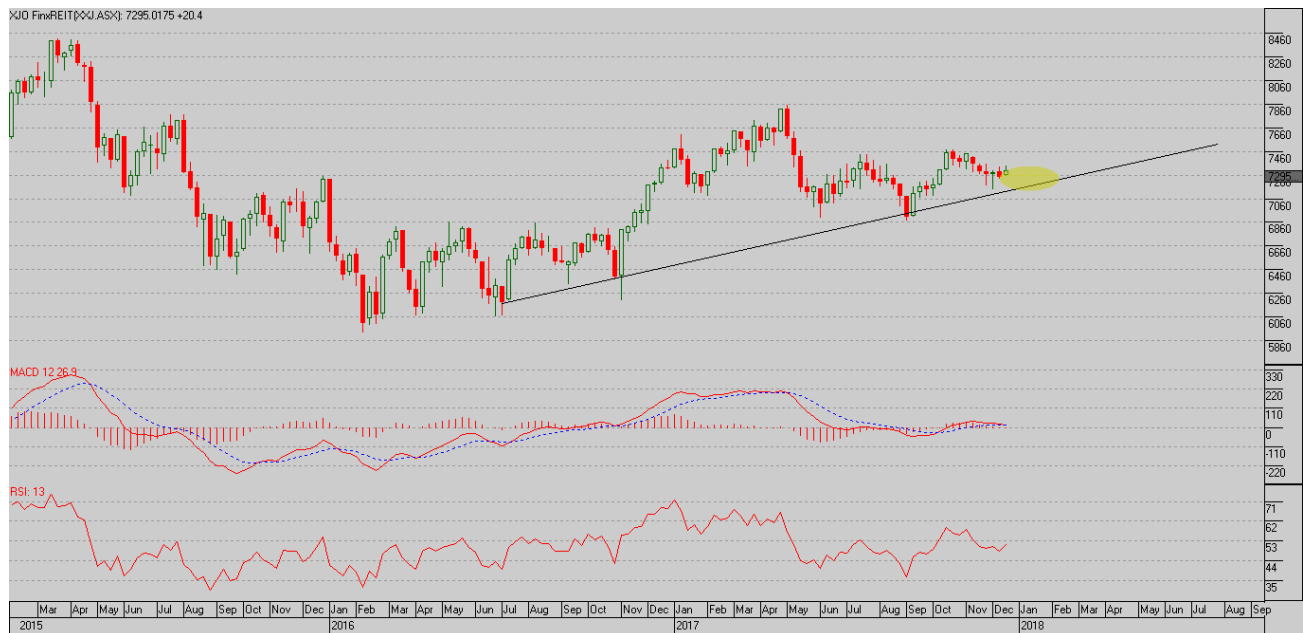
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Santa Rally went into full swing this week moving our market into the middle of a weekly channel. This was largely driven by the materials sector which had a very positive week. If our financial sector can take off around the highlighted support area, then the coming weeks could be very positive. On the other hand, the financial sector is struggling and if the sector breaks down through the uptrend line then our overall market could find it difficult to get back up into the mid 6000's. The US 10 Year Bond Rate is poised for take-off with the resistance on the weekly chart being broken this week. Time will tell how this will affect markets. The listed property trust sector has decided, and it isn't great news, hitting a resistance level and taking a breather. The S&P 500 has just formed three peaks no higher than their previous on the RSI with subsequent higher highs on the index, indicating weakness forming and historically three peaks in this form has generally preceded a correction. I'm not sure about you but this bull market run in the US is starting to feel like one of those parties that have gone on too long and the party goers are hanging on to see what exciting thing is going to happen next. At some point the party will turn ugly. A sharp rise in inflation or perhaps when US employees see the promised \$9,000 dollars extra from the tax cuts in their pay packets is going to company profits instead of their back pockets. I'll be taking a small break over the festive season and will be back on board in the second week of January. 2018 should be a very interesting year.

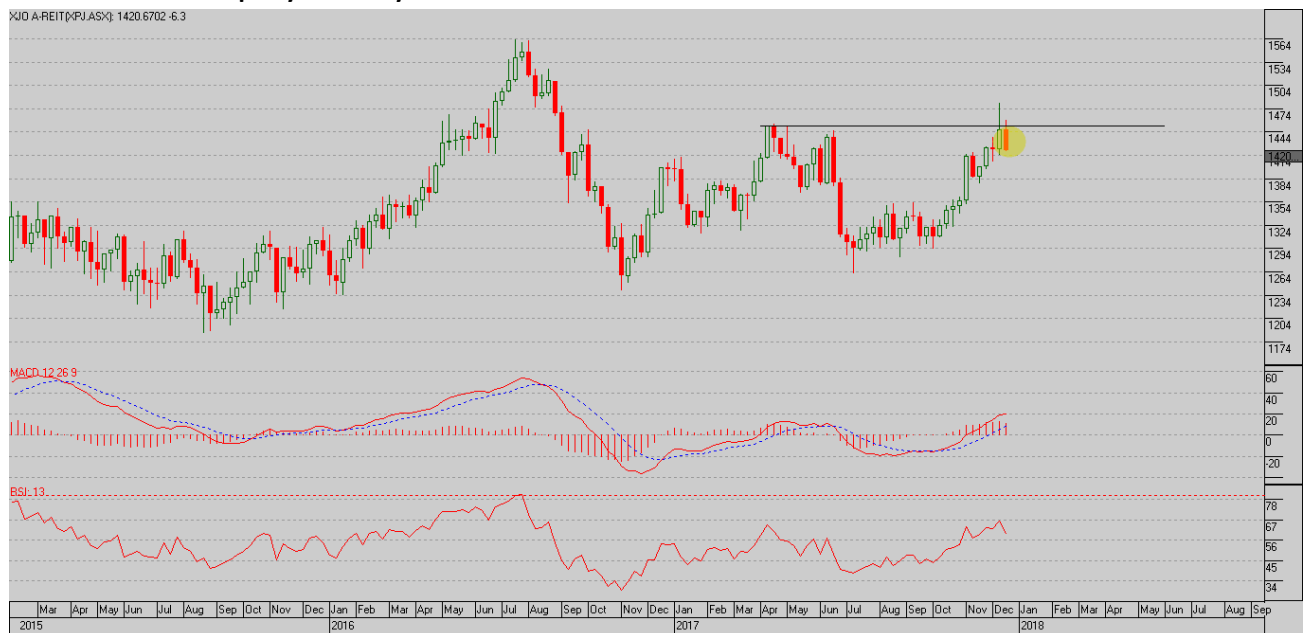
S&P/ASX 200 – Weekly



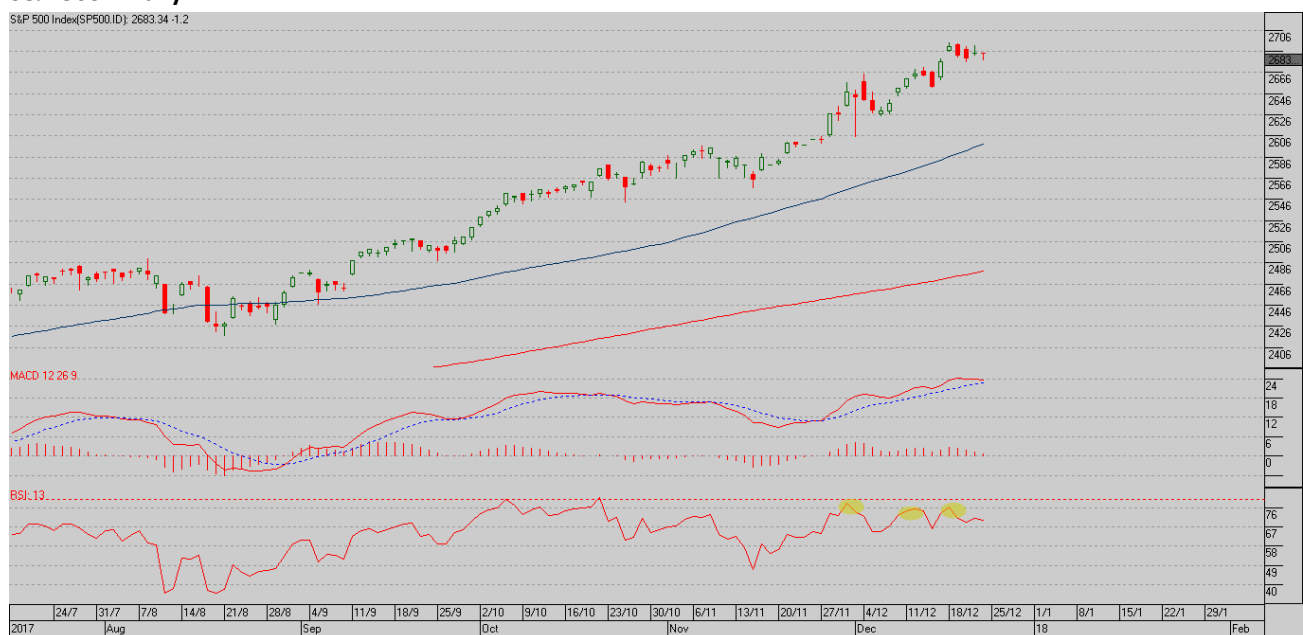
Financials Sector ex REIT's – Weekly



Australian Listed Property – Weekly

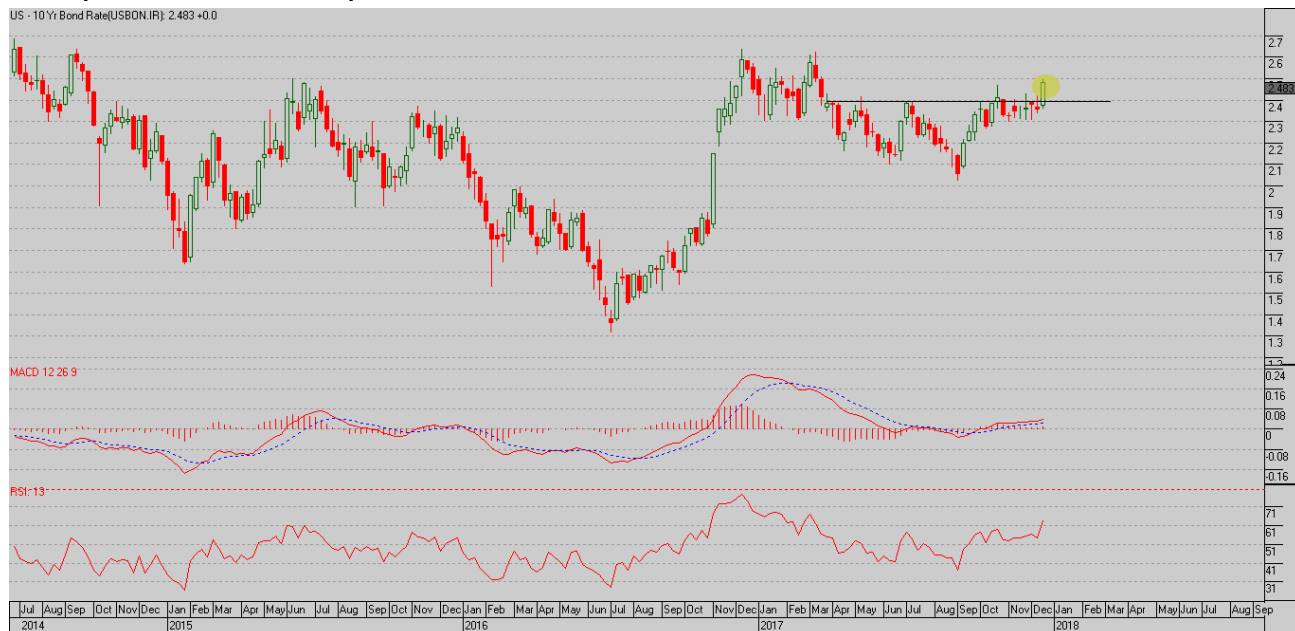


S&P 500 – Daily



US 10-year Bond Rate – Weekly

US - 10 Yr Bond Rate(USBON1R) 2.483 +0.0



Source: Bourse Data

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