

## S&P/ASX 200 – Technical Perspective

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MOAT CAPITAL

Our market had a great finish to the week and it looked like we would be heading back into the top half of the weekly up-trending channel and onwards and upwards from there to the resistance line of the channel above 6200. Alas no smooth sailing ahead as along came the US jobs report and the 10-Year Treasury Note climbing above 2.80 which from a technical point of view is very significant considering, it has just broken a 30 year down trend line. Just a day after Trump was trumpeting about stock market highs. Perhaps his stimulus will send inflation soaring and equities falling. Considering over 50% of the US population don't hold stocks maybe it's not a concern for him. This could be the beginning of the breather the S&P 500 needed, and we could see a period of heightened volatility before some consolidation and further buying opportunities. I don't believe there is any need to panic as the S&P 500 could come back another 10% (See 3-year weekly uptrend line) and still be in a technical medium and long-term bull market. Back to our local market and it seems that the previous peak level of 6140 on the daily chart below which, I mentioned had to be broken to sustain the recent uptrend won't be achieved, at least not next week considering the US markets reaction to concerns about inflation. I may be wrong as our market has been bucking the trend of late. The concern for us is any flow on inflation and increase in lending rates would be disastrous for our economy as house budgets are already at breaking point for a lot of borrowers. Looks like we might be heading back around the 60-day moving average again as was my worry last week and I have to say the RSI indicator on the weekly chart has been very effective of late and seems to be on the money again with it's bearish divergence. Interesting week ahead. Thankfully our market has a weekend to digest and hopefully the pain/panic will be softened somewhat.

### S&P/ASX 200 – Daily



### S&P/ASX 200 – Weekly

S&P/ASX 200 [ XJO ]:WEEKLY:02Feb2018 21:30 Sydney : Data Delayed > 20mins [www.incrediblecharts.com](http://www.incrediblecharts.com) 61.21389



RELATIVE STRENGTH INDEX DAILY 14 PERIODS WILDER

61.607415



#### S&P 500 – Weekly

S&P 500 INDEX [ \$SPX ]:WEEKLY:02Feb2018 17:40 New York : Data Delayed > 5:3.. [www.incrediblecharts.com](http://www.incrediblecharts.com) 2,762.13



RELATIVE STRENGTH INDEX DAILY 14 PERIODS WILDER

46.081271



#### US 10-Year Treasury Note – Weekly



Source: Incrediblecharts

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