

# S&P/ASX 200 – Technical Perspective

10<sup>th</sup> February 2018

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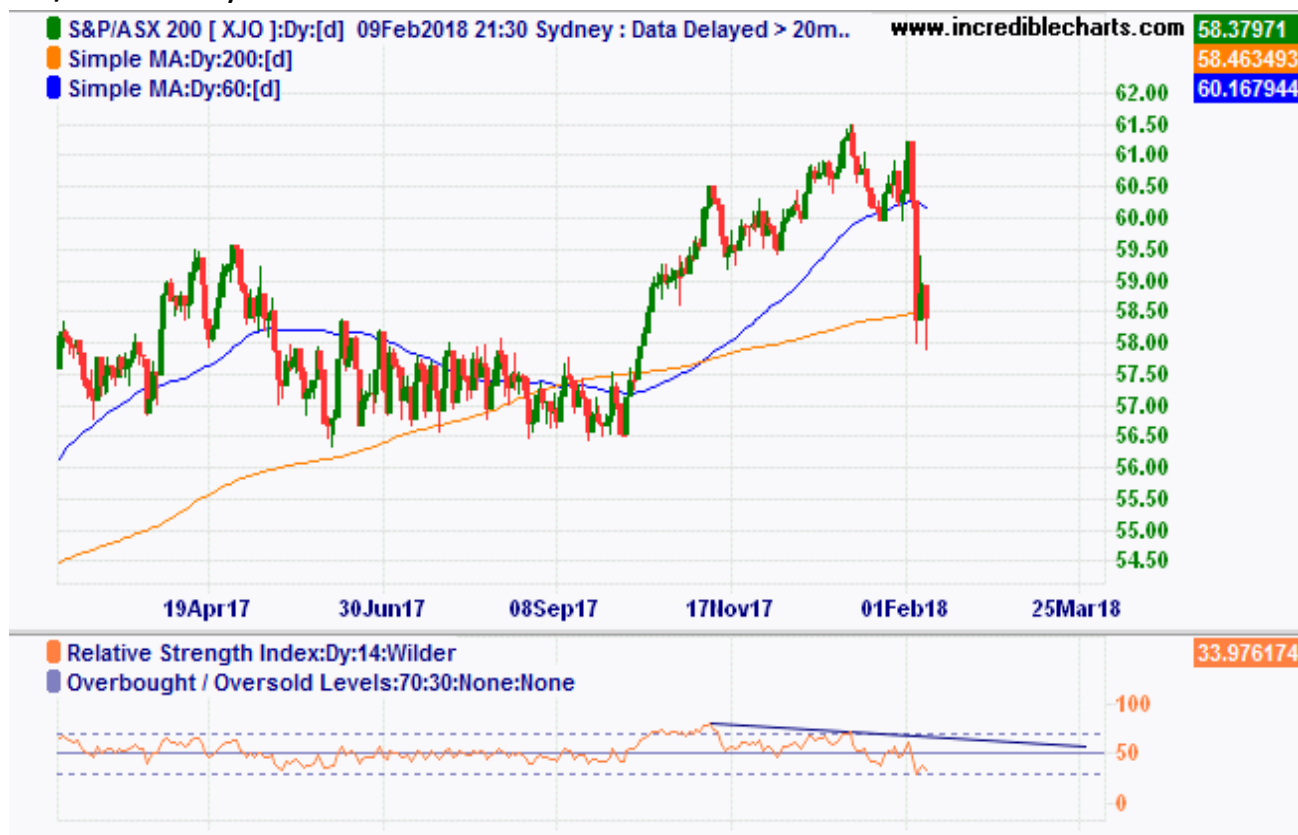
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What a week! The rubber band that was the S&P 500 was stretched too far was let go and the pain that followed was short and sharp. The effect on our market wasn't as severe due to not having had the exuberant run up the US market has. The S&P/ASX 200 is now sitting right on the key 200 day moving average and smack bang on the weekly uptrend channel support line. We are possibly showing some signs of consolidation with a late rally up on Friday and the culprit of all this carnage over the past week (see the 10 Year treasury Note chart) looking like it is in for a minor counter trend. Based on this we might have a week of consolidation and perhaps some sort of minor recovery coming up. The 10 Year Treasury Note chart is now in a medium-term uptrend and since it has now broken up through the 30-year down trend line it will be a major force in the coming months and year and will keep the raging bull subdued. Especially considering the recent reaction when it peaked above 2.80. I am somewhat concerned with what happens when it gets above 3. As with all short and sharp market movements the past week will be seen as an overreaction in the not too distant future and buyers will take advantage of the selloff. Our Financials sector should fare better than other sectors considering banks generally pass on the increase in yields to keep the margins intact. See our Banks sector below with the Monthly chart technically around a 10-year uptrend line which would suggest a buying opportunity. Other sectors such as property could be an issue with higher lending costs. The other issue going forward is if you look at the Dow Jones monthly chart below and even after the last week the 30-year chart still looks somewhat overbought and could correct further if it were to get back to the long-term uptrend line. When looking on a Log scale chart it's not as overbought so depending on the scale you use will determine your outlook. I tend to favour the Log scale. Our dollar has formed some strong resistance at 81 and is falling which could be good news for us. The real issue will be how Trump will handle it all politically considering, every time the market hit a high he was shouting it from the rooftops. Didn't really think that one through. Thinking could be an issue for him. Also, members in his own quarters are now worrying about the debt levels which is about time considering, Trump is happy to keep throwing fuel on the fire. Very interesting months ahead!

## S&P/ASX 200 – Daily



## S&P/ASX 200 – Weekly



#### S&P/ASX 200 – Monthly



#### S&P/ASX 300 Banks – Weekly

S&P/ASX 300 Banks [ XBAK ]:Mth:[m] 09Feb2018 21:30 Sydney : Data Dela..

www.incrediblecharts.com 81.07693

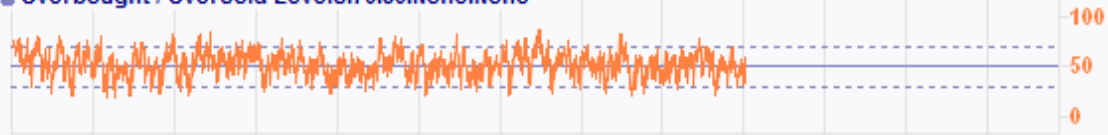


Mar00 Mar02 Mar04 Mar06 Mar08 Mar10 Feb12 Feb14 Feb16 Jan18 Jun19 Oct20 Mar22

Relative Strength Index:Dy:14:Wilder

Overbought / Oversold Levels:70:30:None:None

35.73595



#### Dow Jones Industrial Average – Monthly (Linear)

DJ INDUSTRIAL AVG [ \$DJI ]:Mth:[m] 09Feb2018 17:30 New York : Data Delay..

www.incrediblecharts.com 24,190.90



Relative Strength Index:Dy:14:Wilder

Overbought / Oversold Levels:70:30:None:None

35.855031



#### Dow Jones Industrial Average – Monthly (Log)

DJ INDUSTRIAL AVG [ \$DJI ]:Mth:[m] 09Feb2018 18:07 New York : Data Delay.. [www.incrediblecharts.com](http://www.incrediblecharts.com) 24,190.90



Relative Strength Index:Dy:14:Wilder  
Overbought / Oversold Levels:70:30:None:None

35.855031



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

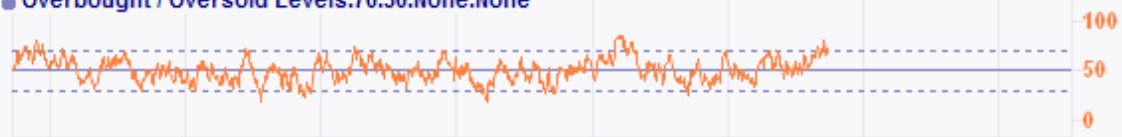
10-YEAR TREASURY NOTE [ \$TNX ]:Wk:[w] 09Feb2018 17:09 New York : Data.. [www.incrediblecharts.com](http://www.incrediblecharts.com)

2.82



Relative Strength Index:Dy:14:Wilder  
Overbought / Oversold Levels:70:30:None:None

66.932125



#### Australian Dollar Versus US dollar - Daily



Source: Incrediblecharts

### Important Information

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