

## S&P/ASX 200 – Technical Perspective

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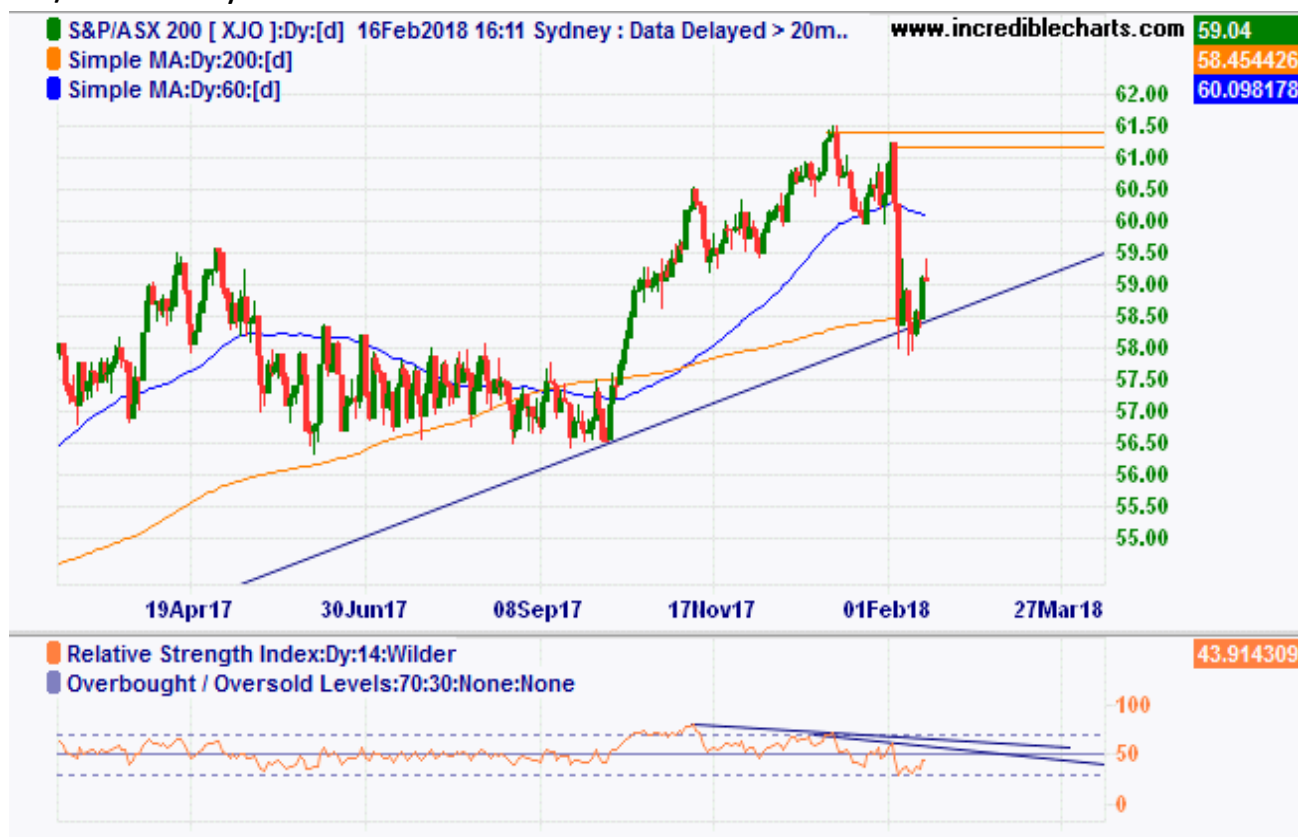
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All looks good on the technical home front with support on the 200-day moving average and a clear recovery right on the 2-year uptrend line. Couldn't be more predictable or perhaps not. I just get that sinking feeling that we are moving into a medium-term downtrend as I just can't see our market getting back above the recent high of 6140 in the short term. We just don't have a Trump in the house who seems to invite V recoveries. Whilst on the V recovery has it run out of steam already? If you were a Dow Theorist, you might be looking at the Dow Jones Transportation Index (DJTI) which can sometimes be a leading indicator to the Dow Jones Industrial Average. If you look at the DJTI daily chart below you will notice Friday ran out of puff and the 60-day moving average could be a new level of resistance. I would be watching the 60-day moving average closely on this Index. On a local positive front, the Financial sector is nearing some support and a 10-year uptrend line which could provide some further impetus to the minor recovery underway from the large falls of the previous week. If you're a long-term investor it should provide further buying opportunities. The all-important chart to keep an eye on is the US 10 Year Treasury Note which represents the pain on the horizon. This time I have used Log scale on the chart and it doesn't seem as bad as the Linear chart. The Log chart hasn't broken the 30 year down trend line whereas it has when using a Linear scale chart. It is also nearing the important yield price of 3 which could provide some resistance and temporary relief for equities markets. Interesting couple of weeks ahead. The Winter Olympics will be finishing up and the focus will be back on North and South Korea and whether the little lovefest in Pyeongchang will last. Very doubtful.

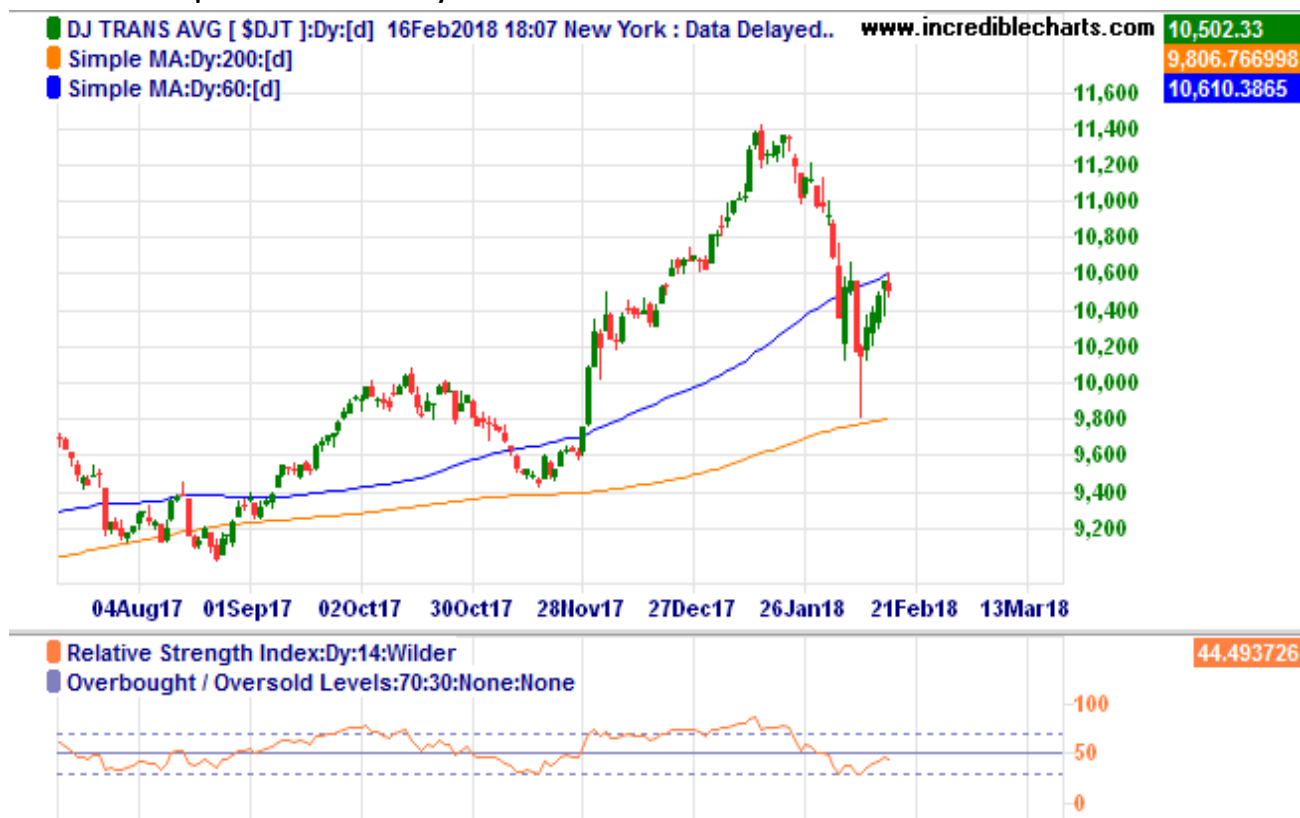
### S&P/ASX 200 – Daily



### Financials Sector ex REIT's – Daily



#### Dow Jones Transportation Index – Daily



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



Source: Incrediblecharts

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