

S&P/ASX 200 – Technical Perspective

24th February 2018

By Craig Parker Private Client Adviser and Senior Technical Analyst

Authorised Representative Sentinel Private Wealth AFSL 344762



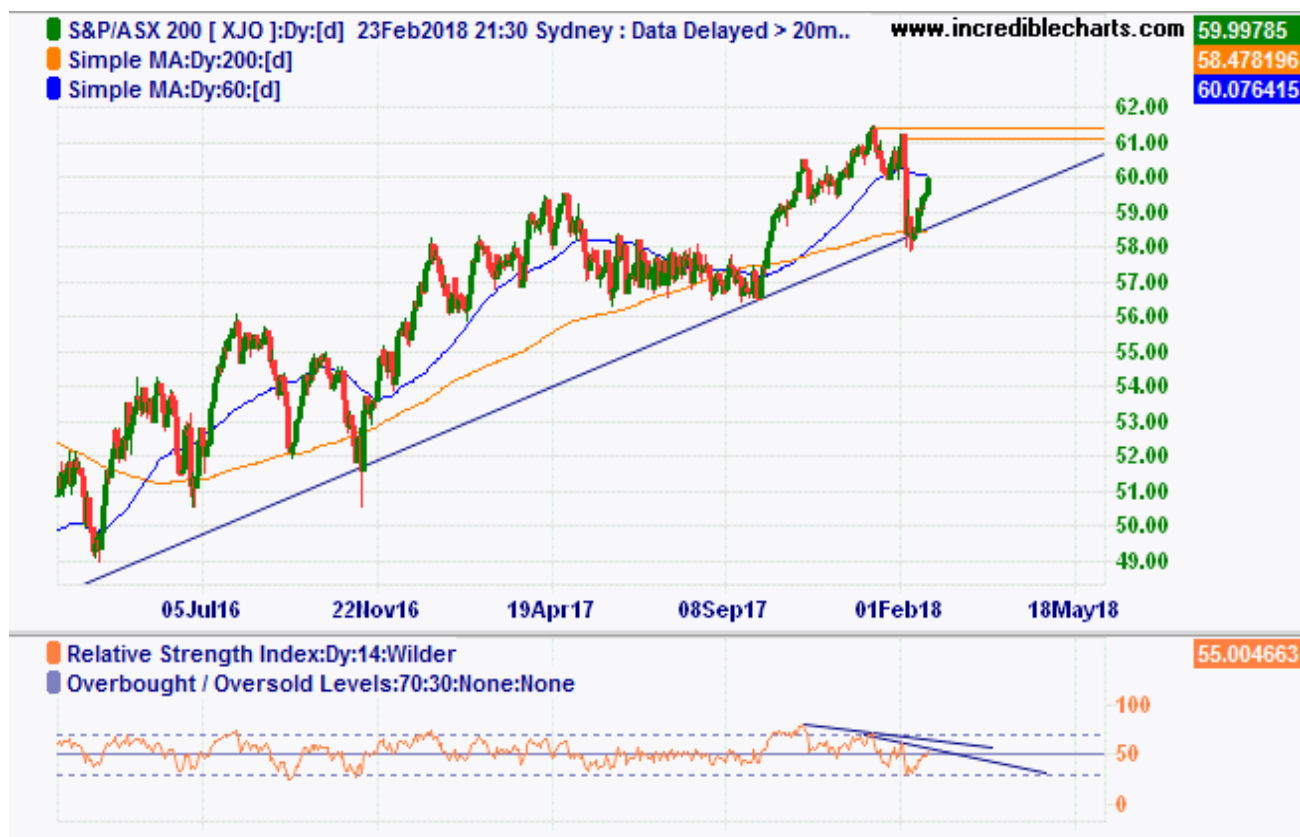
MOAT CAPITAL

This week I thought I would begin with the chart that started it all, the US 10 Year Treasury Note. A couple of weeks ago I mentioned that it looks like it might be taking a little breather as it approached resistance around the 3 level with some bearish divergence and that this would be good for equities. Even though the pullback is only small at this stage it has been good for equities as the bulls have seen the recent pullback as a buying opportunity. I'll be watching this chart closely to help provide an indication of the next high in the equities markets. From a technical point of view our market hit the 2-year uptrend line and behaved accordingly. Now all eyes are on the 60-day moving average for any resistance. It would be hard to go against the longer-term trend at this stage although we might see some wavering around the 60-day moving average. On another positive note our Financial sector hit a support level and took off once more. All in all, happy days for our market. The only thing to watch out for is a spike in the 10 Year Treasury Note which will send us into a sideways channel. If I had to suggest what the medium-term future holds I think equities will go slightly higher and our market back up towards the 6140 level whilst the 10 Year Treasury Note has a small pullback. The 10 Year Treasury Note will then again turn up causing equities to decline once again and sending our market into a medium term sideways channel.

US 10-Year Treasury Note – Daily



S&P/ASX 200 – Daily



Financials Sector ex REIT's – Daily



Source: Incrediblecharts

Important Information

This document and its contents are general in nature and do not constitute or convey personal advice. It has been prepared without consideration of anyone's particular financial situation, needs or financial objectives. Personal advice should be sought before acting

on any of the areas discussed. The authors and distributors of this document accept no liability for any loss or damage suffered by any person as a result of that person, or any other person, placing any reliance on the contents of this document.

Moat Capital has made every reasonable effort to ensure the information provided is correct, but Moat Capital makes no representation or any warranty as to whether the information is accurate, complete or up to date. To the extent permitted by law, Moat Capital accepts no responsibility for any errors or misstatements, negligent or otherwise. The information provided may be based on assumptions or market conditions and may change without notice.