

S&P/ASX 200 – Technical Perspective

24th March 2018

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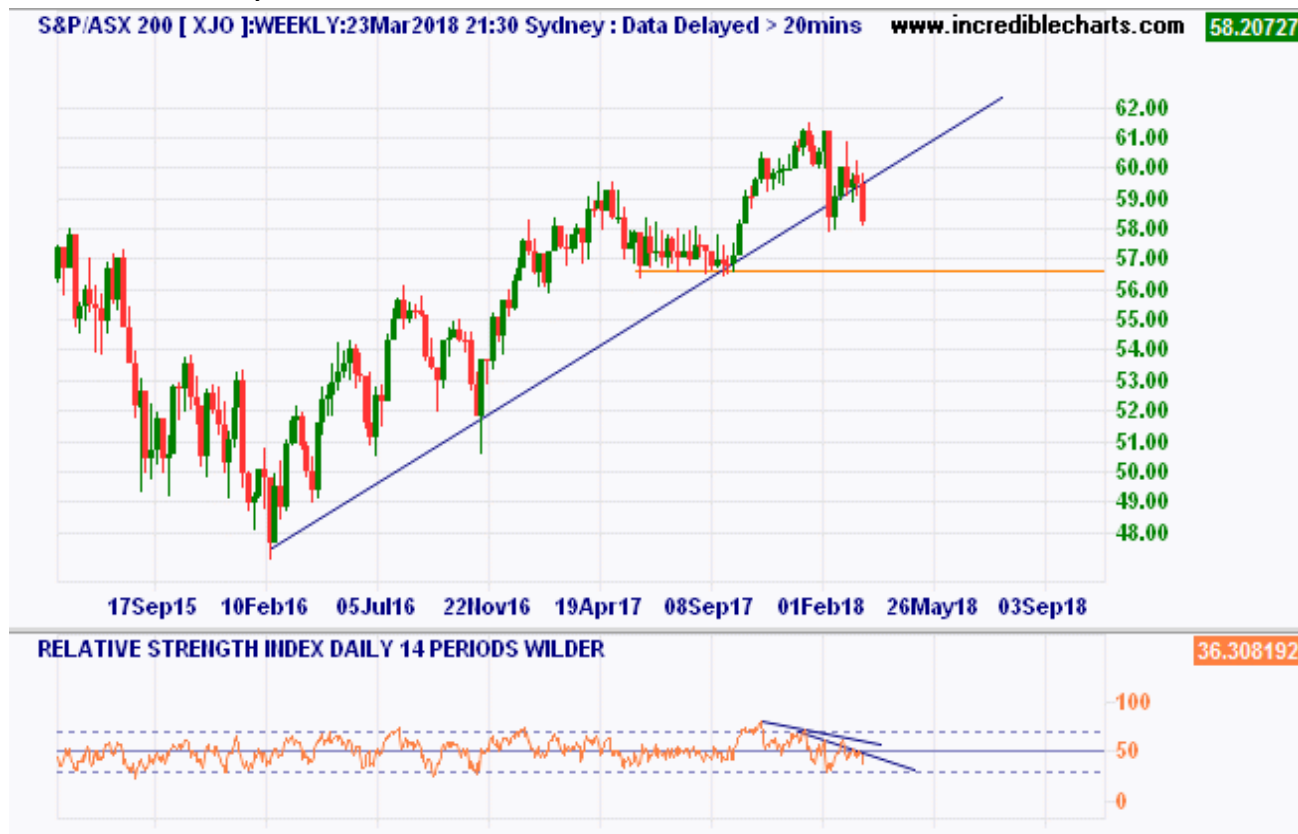
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Going for Gold. The market is now in a state of rising uncertainty. Refer to the movement in Gold recently and the US Volatility Index now forming a peak higher than the previous. It seems the full-blown threat of trade war with China and now the war advisers all ready to go in the White house was a step too far for equity markets. Trump just loves the game of Chicken. Let's hope someone comes to their senses soon. On the technical front our market has now broken the 2-year uptrend line mentioned a few weeks ago and is now in a short and medium-term downtrend. We are possibly headed for the next level of support around the 5700 level. Our Financials sector is nearing the 10-year uptrend line and a break through this level would be a concern. The S&P 500 is having a serious recalibration of value and all indicators lead to a tough time ahead. When the technical ranges are as large as they have been it indicates the optimism is all but snuffed out of the market. No longer are we seeing large single day recoveries as we used to after a slump. The bears are edging ahead. You will notice that the S&P 500 is around the 200-day moving average. It has hit the 200-day moving average a couple of times in the past 2 years (June 2016 and November 2016) and found support. This will be a key level to watch in the coming days and in the medium term I feel this will be broken. The single day moves down are just too large to ignore. The plus side is the market is offering up some opportunities and the fun of picking the bottom has begun although it looks like this short-term bear market has further to run in the medium term. Enjoy the week ahead.

S&P/ASX 200 – Weekly



Financials Sector ex REIT's – Monthly



Mar00 Mar02 Mar04 Mar06 Feb08 Feb10 Feb12 Feb14 Jan16 Jan18 Jun19 Oct20 Mar22

RELATIVE STRENGTH INDEX DAILY 14 PERIODS WILDER

33.044834



S&P 500 – Daily

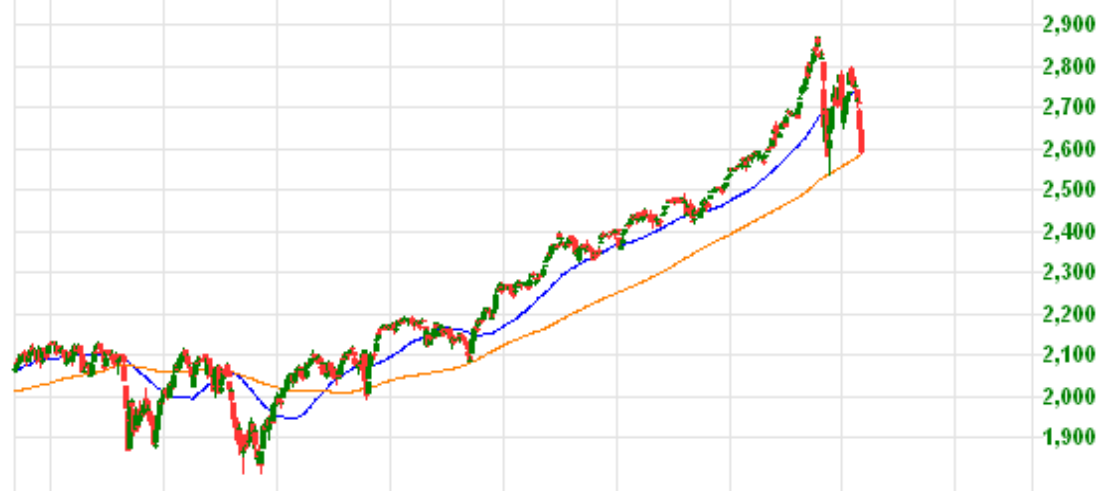
S&P 500 INDEX [\$SPX]:DAILY:23Mar2018 18:52 New York : Data Delayed > 5..

www.incrediblecharts.com

2,588.26

2,585.21735

2,737.813167



19May15 09Oct15 04Mar16 27Jul16 16Dec16 12May17 04Oct17 28Feb18 14Jun18

RELATIVE STRENGTH INDEX DAILY 14 PERIODS WILDER

29.977053



Gold – Weekly



US Volatility (CBOE Market volatility) – Daily



Source: Incrediblecharts

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