



## TECHNICAL TUESDAYS

### Table of contents

1	<a href="#">South Africa 40 index</a> Technical analysis of the local index	2
2	<a href="#">Highs and lows</a> Shares making new highs or lows over 52 weeks	3
3	<a href="#">Consolidation patterns to watch</a>	3
4	<a href="#">Market overview</a> Technical analysis of the local market by sector	5

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You can follow Shaun on Twitter at [@ShaunMurison\\_IG](#) for regular market updates and insight.

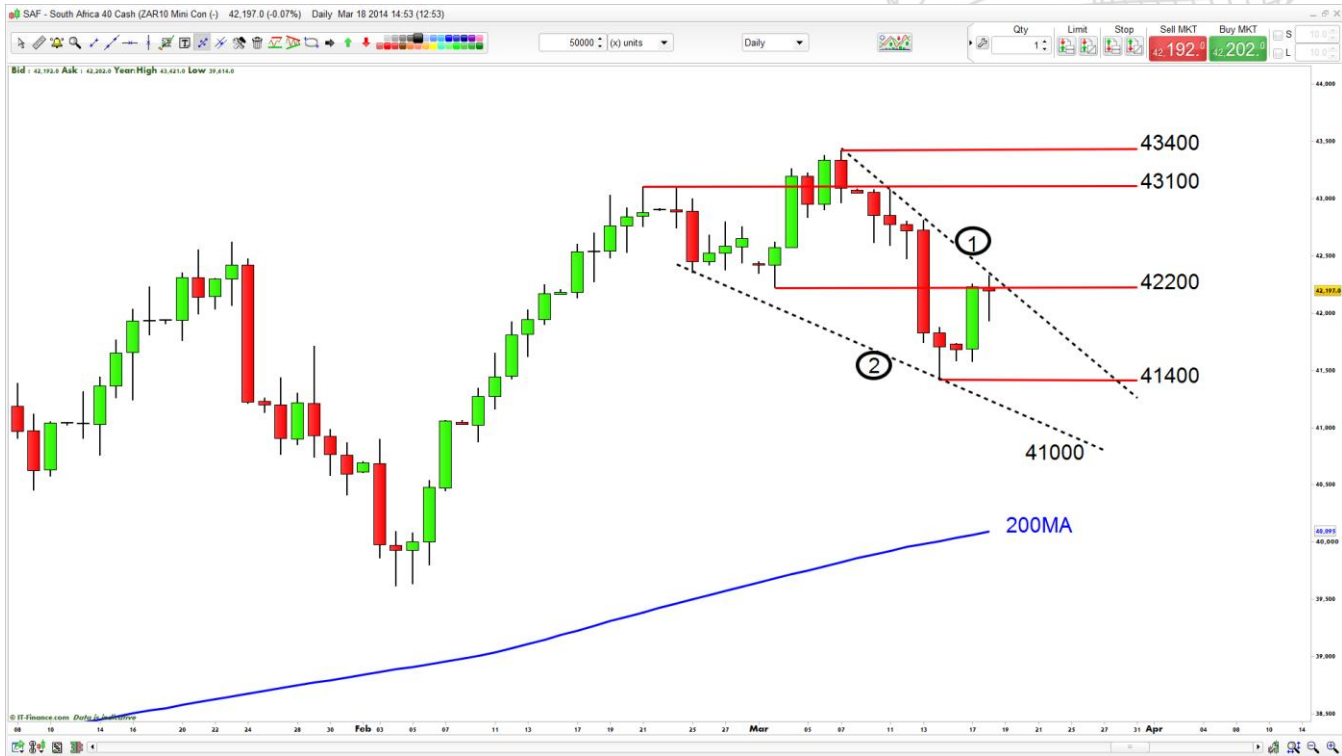
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# 1. SOUTH AFRICA 40 INDEX



## SOUTH AFRICA 40 INDEX

- The South Africa 40 index broke below the support of last week's range and has now returned back to retest the level (42200)
- The short-term trend is now considered down, while the long-term trend remains up (price continues to trade firmly above 200MA)
- Should the price close above 42200 (previous support and current resistance) as well as above our dotted trend line labelled 1, a move towards 43100 is favoured
- Should the price find resistance at 42200 by failing to close above this level, 41400 (recent low) becomes the favoured near-term target, a break of which sees the next support level from our dotted trend line labelled 2 favoured at 41000
- Due to our long-term trend remaining up, trend followers would look to the first scenario for a possible long entry, or wait for an opportunity for a long entry should the short-term weakness ensue as with the second scenario
- The dotted trend lines also highlight what could (not confirmed) be a falling wedge pattern, which we will monitor over the coming weeks should it become relevant



## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

Anglo American Platinum  
Afgri

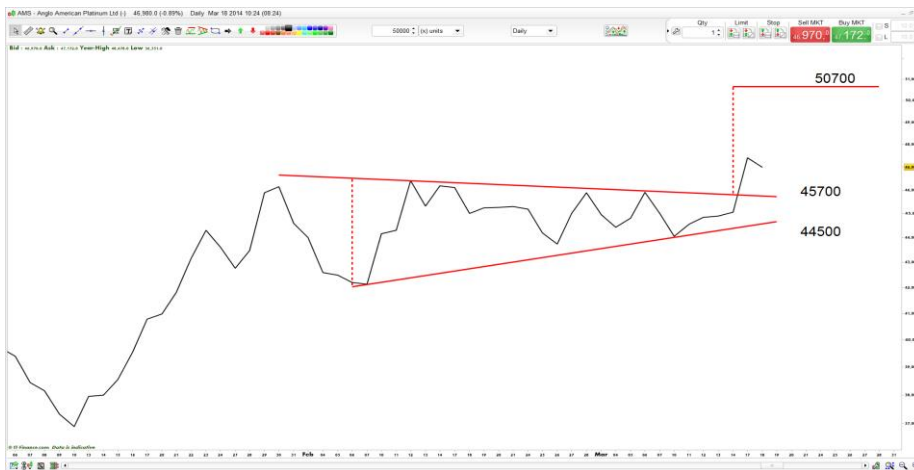
### SHARES | 52 WEEK LOWS

Tongaat Hulett  
Evraz Highveld Steel and Vanadium

## 3. CONSOLIDATION PATTERNS TO WATCH

### ANGLO AMERICAN PLATINUM (Daily chart)

The price of Anglo Platinum has broken out of a triangle consolidation. The preceding uptrend appears to be resuming once again. The height of the triangle pattern, projected from the breakout area (dotted red lines), arrives at a target at 50700. More conservative breakout traders would wait for the price to retrace back towards the breakout level at 45700 for a possible entry. Waiting for the price to retrace after the initial breakout for a point of entry, reduces the expected risk relative to the anticipated reward. The price trading below the support trend line at 44500 would deem the bullish indications to have failed.



### SASOL LTD (Daily chart)

The price of Sasol has broken out of a triangle consolidation, and retested the breakout area. The preceding uptrend appears to be resuming once again. The height of the triangle pattern, projected from the breakout area (dotted red lines), arrives at a target at 60300. The price trading below the support trend line at 55300 would deem the bullish indications to have failed.







### SHOPRITE HOLDINGS LTD (Daily chart)

The price of Shoprite has broken out of an inverse head and shoulders formation. This formation is considered a reversal pattern, as it warns of the preceding downtrend reversing into a new uptrend. The height from the head (H) to the neckline line at 14800, projected from the neckline, arrives at a near-term target of 16000. The price closing below the right shoulder (R) at 14250 would render the above indications to have failed.





## 5. MARKET OVERVIEW

### Key Indicators

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
S&P 500	Sideways	Up	Up	Flat	Oversold
South Africa 40	Sideways	Up	Up	Flat	Oversold
USD/ZAR	Down	Down	Up	Decreasing	Neutral
Spot Gold	Up	Up	Up	Increasing	Overbought

### Banks

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Barclays Africa	Up	Up	Down	Increasing	Overbought
FirstRand	Up	Up	Up	Decreasing	Neutral
Nedbank	Up	Up	Up	Decreasing	Neutral
Standard Bank	Up	Up	Up	Flat	Neutral

### Financial

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Discovery	Sideways	Sideways	Down	Flat	Neutral
Investec (inl)	Sideways	Up	Up	Flat	Neutral
Investec (inp)	Sideways	Up	Up	Flat	Neutral
Liberty Holdings	Sideways	Up	Sideways	Flat	Overbought
Old Mutual	Sideways	Up	Up	Decreasing	Neutral

### Food Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Pick 'n Pay	Up	Down	Up	Increasing	Overbought
Shoprite	Up	Down	Down	Increasing	Neutral
Spar	Down	Down	Down	Decreasing	Neutral

### Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Compagnie Richemont	Down	Sideways	Up	Flat	Neutral
Foschini	Up	Down	Down	Flat	Neutral
JD Group	Down	Down	Down	Decreasing	Neutral
Mr Price	Up	Down	Up	Flat	Neutral
Steinhoff	Up	Up	Up	Decreasing	Neutral
Truworths	Sideways	Down	Down	Flat	Neutral
Woolworths	Up	Down	Down	Flat	Overbought

### Construction

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Aveng	Sideways	Down	Down	Decreasing	Neutral
Group Five	Sideways	Up	Up	Decreasing	Neutral
M & R	Down	Down	Sideways	Decreasing	Oversold
WBHO	Down	Down	Down	Decreasing	Neutral



## 5. MARKET OVERVIEW CONTINUED...

### Telecomms

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
MTN	Up	Sideways	Up	Increasing	Overbought
Vodacom	Up	Down	Up	Increasing	Neutral
Telkom	Sideways	Sideways	Up	Flat	Neutral

### Gold

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Anglogold	Up	Up	Up	Increasing	Overbought
Goldfields	Sideways	Up	Down	Flat	Overbought
Harmony	Up	Up	Up	Increasing	Overbought

### Platinum

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Angloplat	Sideways	Up	Up	Increasing	Neutral
Impala	Sideways	Sideways	Up	Decreasing	Neutral
Lonmin	Down	Down	Up	Decreasing	Oversold
Northam	Down	Down	Up	Decreasing	Neutral

### Resources

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
African Rainbow	Down	Sideways	Up	Flat	Oversold
Anglo American Plc	Down	Up	Up	Increasing	Oversold
BHP Billiton	Down	Down	Up	Increasing	Oversold
Exxaro	Down	Down	Down	Flat	Oversold
Kumba	Down	Down	Down	Increasing	Oversold
Sasol	Up	Up	Up	Decreasing	Neutral

### Industrials

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Aspen	Up	Up	Up	Decreasing	Neutral
Barloworld	Sideways	Up	Up	Flat	Neutral
Bidvest	Up	Up	Up	Increasing	Overbought
Imperial	Sideways	Down	Down	Flat	Neutral
Naspers	Sideways	Up	Up	Increasing	Oversold
Remgro	Up	Down	Down	Increasing	Overbought
Reunert	Down	Down	Down	Increasing	Oversold
SABMiller	Sideways	Down	Sideways	Flat	Oversold
Tigerbrands	Up	Down	Down	Flat	Overbought