



## TECHNICAL TUESDAYS

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### SHAUN MURISON

Shaun has worked in financial markets for over seven years, and previously ran IG's KZN branch before moving to Johannesburg.

As market analyst he presents our CFD trading seminars around the country. In addition, Shaun is a regular commentator on the local financial markets, making contributions to various media (such as CNBC Africa and Business Day) and writing daily and weekly market reports. He is a registered person as well as Certified Market Technician (CFTE).



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

- South Africa 40 cash index has proceeded to confirm the upside breakout with a close above resistance at 45050
- Short-term uptrend is now resuming in line with the long-term uptrend
- The dynamic nature of our upward trend line revises the upside target further to 45950
- The previous resistance at 45050 would now be anticipated as possible support should the price reverse
- Aggressive breakout traders would have already found long entry, while conservative breakout out traders would wait for a small retracement in price for long entry
- The bullish bias would be considered as weakening, if channel support becomes broken, however this would not indicate a reversal of trend



## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

Remgro  
Sanlam  
RMB Holdings  
Investec Plc  
Mondi Ltd  
Firstrand  
Old Mutual  
Standard Bank  
Peregrine Holdings

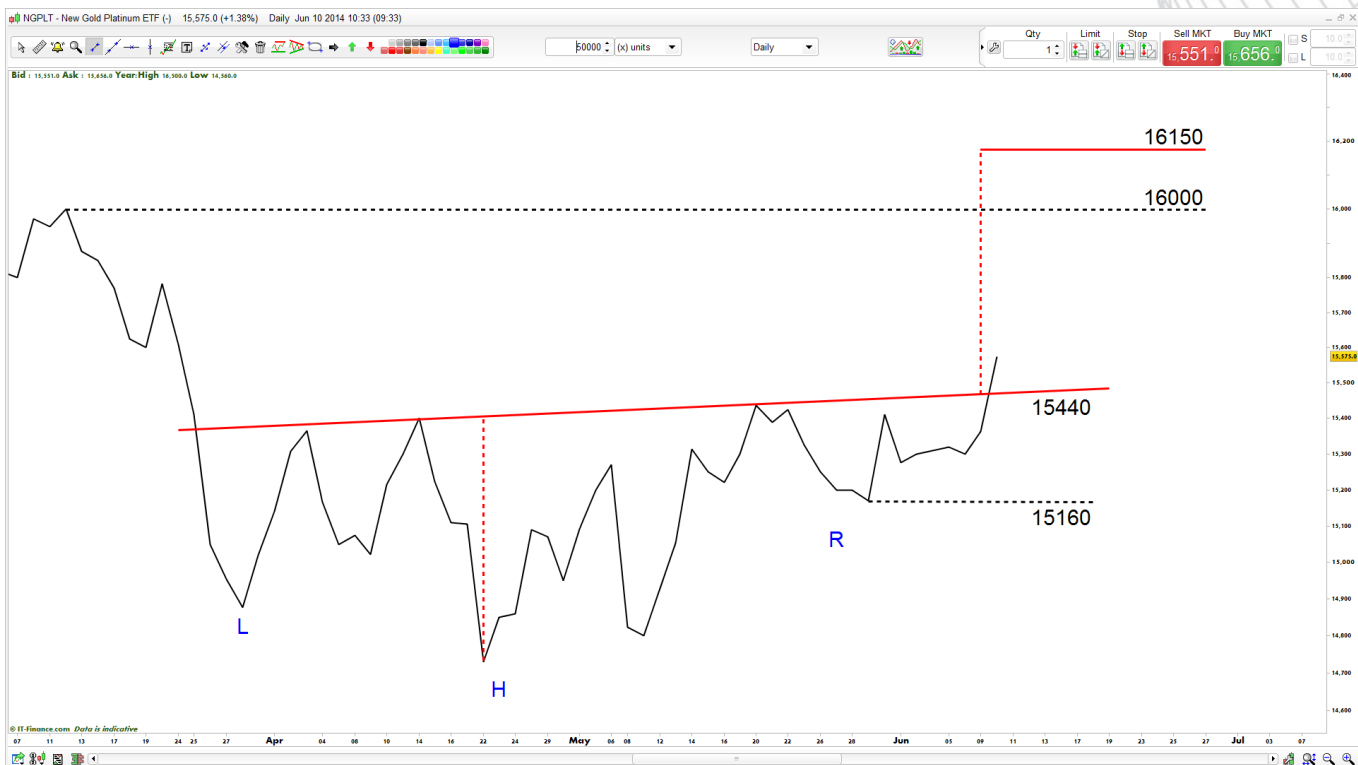
### SHARES | 52 WEEK LOWS

Evraz Highveld Steel Vanadium  
African Bank Investments Ltd

## 3. CONSOLIDATION PATTERNS TO WATCH

### NEW GOLD PLATINUM ETF (Daily chart)

The price of New Gold Platinum looks to be breaking out of an inverse head and shoulders formation. The pattern is labelled with the "L", "H" and "R" on the chart. This type of formation is considered a reversal pattern, and in the current context is considered to be short-term bullish. The recent high at 16000 is the initial target, while 16150 is the proportionate target of the height of the pattern (dotted red line) projected from the breakout level (15440). The price closing below the right shoulder labelled "R" would consider the aforementioned to have failed.





### LIFE HEALTHCARE GROUP HOLDINGS LTD (Daily chart)

The price of Life Healthcare is trading within triangle formation (red lines). This type of formation is generally expected to breakout in the same direction as the preceding trend (which in the current context is up), although it is wise to wait for the breakout to occur in either direction rather than preempting the move. The level at 4230 marks the resistance, while 4100 marks the support of the up and downside breakout levels respectively. Should a breakout occur, the height of the pattern (320c) predicts a proportionate move in the same direction.



### NASPERS LTD (Daily chart)

The price of Naspers has broken out of a bullish flag formation. The pattern alludes to a weak move down after a strong move up, suggesting that the price momentum remains positive. The all-time high at R1350 provides the initial upside target favoured, which if broken further favours a projected target from the pattern at R1400. Conservative breakout traders would wait for a pullback towards R1180 for long entry. The price retracing to close below flag support at R1150 would consider the aforementioned bullish indication to have failed.





## 4. MARKET OVERVIEW

### Key Indicators

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

### Banks

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

### Financial

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

### Food Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Pick 'n Pay	Sideways	Up	Up	Flat	Neutral
Shoprite	Down	Sideways	Up	Increasing	Oversold
Spar	Sideways	Up	Sideways	Flat	Neutral

### Retailers

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

### Construction

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



## 4. MARKET OVERVIEW CONTINUED...

### Telecomms

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

### Gold

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Anglogold	Down	Down	Up	Decreasing	Neutral
Goldfields	Down	Down	Down	Decreasing	Neutral
Harmony	Down	Down	Down	Flat	Neutral

### Platinum

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

### Resources

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

### Industrials

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