



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.

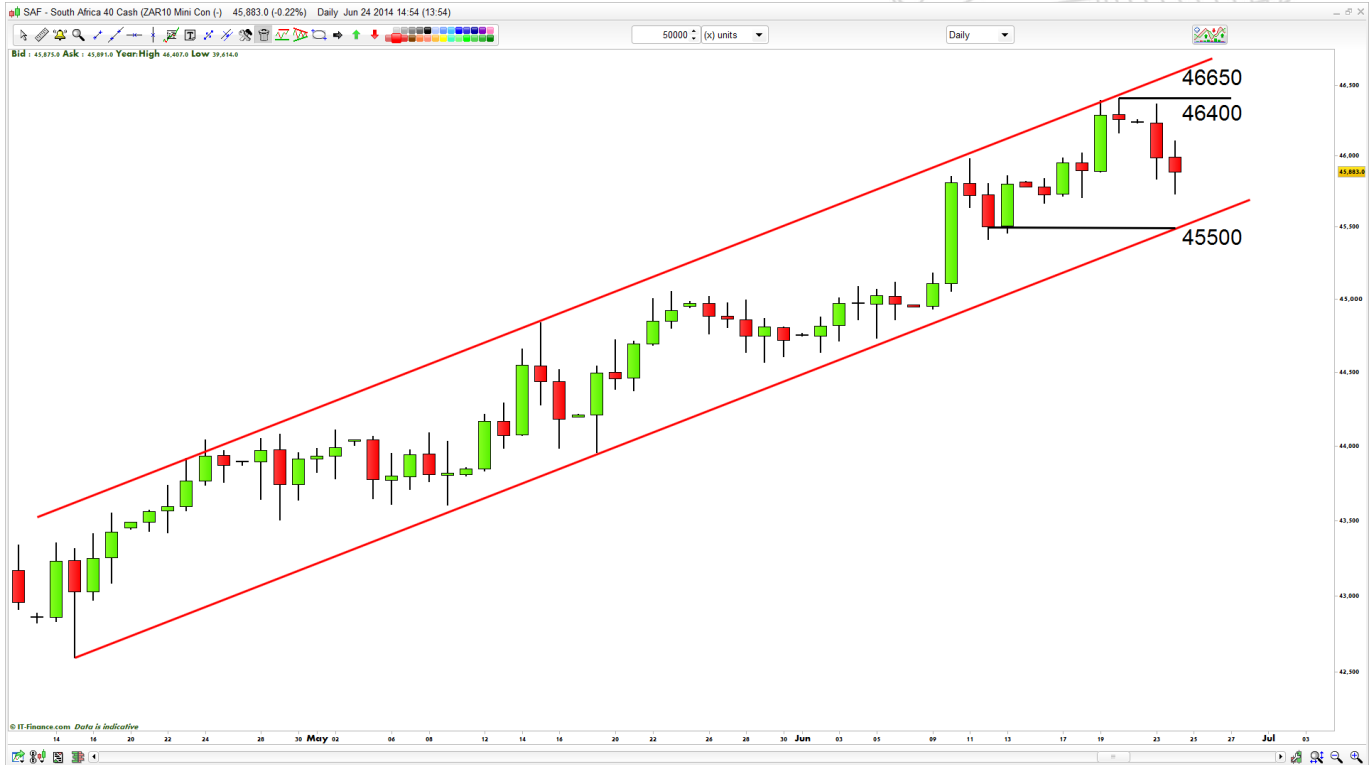
As market analyst he presents our CFD trading seminars around the country. In addition, Shaun is a regular commentator on the local financial markets, making contributions to various media (such as CNBC Africa and Business Day) and writing daily and weekly market reports. He is a registered person as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



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



1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The channel resistance has served the South Africa 40 cash index well in terms of providing upside targets as well as resistance
- This week the index is retracing off channel resistance rather than consolidating as in previous weeks
- This is noted by the last two days of price activity making lower highs and lower lows
- The pullback has not yet indicated completion and a confluence of horizontal and channel support at 45500 is favoured in the absence of a bullish price reversal
- The short-term weakness is however not a signal of a trend reversal at this stage and trend followers would look to accumulate off support rather than trade against the longer term uptrend which still prevails
- Should the price start trading below the 45500 support level, only then would the near-term uptrend be reviewed for a possible reversal



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Aspen Pharmcare
Pioneer Foods
Steinhoff International
Remgro
Peregrine
Investec
Mondi Ltd

SHARES | 52 WEEK LOWS

none

3. CONSOLIDATION PATTERNS TO WATCH

LIBERTY HOLDINGS LTD (Daily chart)

Liberty has experienced its first pullback in price since breaking out of a triangle consolidation. The move shows a bullish intent and continuation of the preceding uptrend from March 2014. The recent high at 13500 provides the initial target, while the height of the pattern projected from the breakout area predicts a further upside target at 13700. Further support of the bullish intent is witnessed by the strong volume (circled red) at the time of the initial breakout. The price closing below the support of the triangle formation at 12975 would consider the bullish indications to have failed.





TIGER BRANDS LTD (Daily chart)

Tiger Brands has experienced its first pullback in price since breaking out of a triangle consolidation. The move shows a bullish intent and continuation of the preceding uptrend from March 2014. The recent high at 31750 provides the initial target, while the height of the pattern projected from the breakout area predicts a further upside target at 32400. The price closing below the support of the triangle formation at 29500 would consider the bullish indications to have failed.



ARCELORMITTAL LTD (Daily chart)

ArcelorMittal has formed a falling wedge pattern in a downtrend. The volume on the tail end of the move down has been extremely low, highlighting the last move down as being more of a consolidation than having a bearish directional intent. A low volume decline and falling wedge formations are often followed by a short-term bullish reversal. The initial resistance target at 3430 is favoured, which if broken further favours a move towards resistance at 3650. The price closing below wedge support at 3100 would be indicative of a failure of the above indications.





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	Neutral
USD/ZAR	Sideways	Up	Up	Flat	Oversold
Spot Gold	Sideways	Sideways	Sideways	Increasing	Overbought

Banks

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

Financial

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

Food Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Pick 'n Pay	Sideways	Up	Up	Flat	Overbought
Shoprite	Down	Down	Up	Decreasing	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	Up	Up	Up	Flat	Overbought
JD Group	Sideways	Sideways	Down	Flat	Neutral
Mr Price	Up	Up	Up	Flat	Neutral
Steinhoff	Up	Up	Up	Increasing	Overbought
Truworths	Down	Down	Down	Decreasing	Oversold
Woolworths	Up	Up	Up	Increasing	Overbought

Construction

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



4. MARKET OVERVIEW CONTINUED...

Telecomms

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
MTN	Sideways	Up	Up	Decreasing	Neutral
Vodacom	Sideways	Sideways	Up	Flat	Neutral
Telkom	Up	Up	Up	Decreasing	Neutral

Gold

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

Platinum

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

Resources

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

Industrials

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