



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 moved realized the target from the double bottom reversal pattern and confirmed the validity of the inverse head and shoulders formation (Marked L,H & R)
- The upside target projected from the inverse head and shoulders formation is considered at 46500
- The candles circled red, warn of a possible short-term pullback, which if occurs, considers short-term support between levels 43700 and 43925
- Should this support area be broken it would consider the weakening of the current move upwards
- The upside remains favoured, with 46500 the projected target, and should a short-term pullback occur it may afford long entry opportunity for breakout traders who missed the initial move



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Village Main Reef
Super Group
Sanlam
AVI Ltd
Mediclinic International
RMI Holdings
Nampak
Firstrand
RMB Holdings
Growthpoint properties
Brait SE

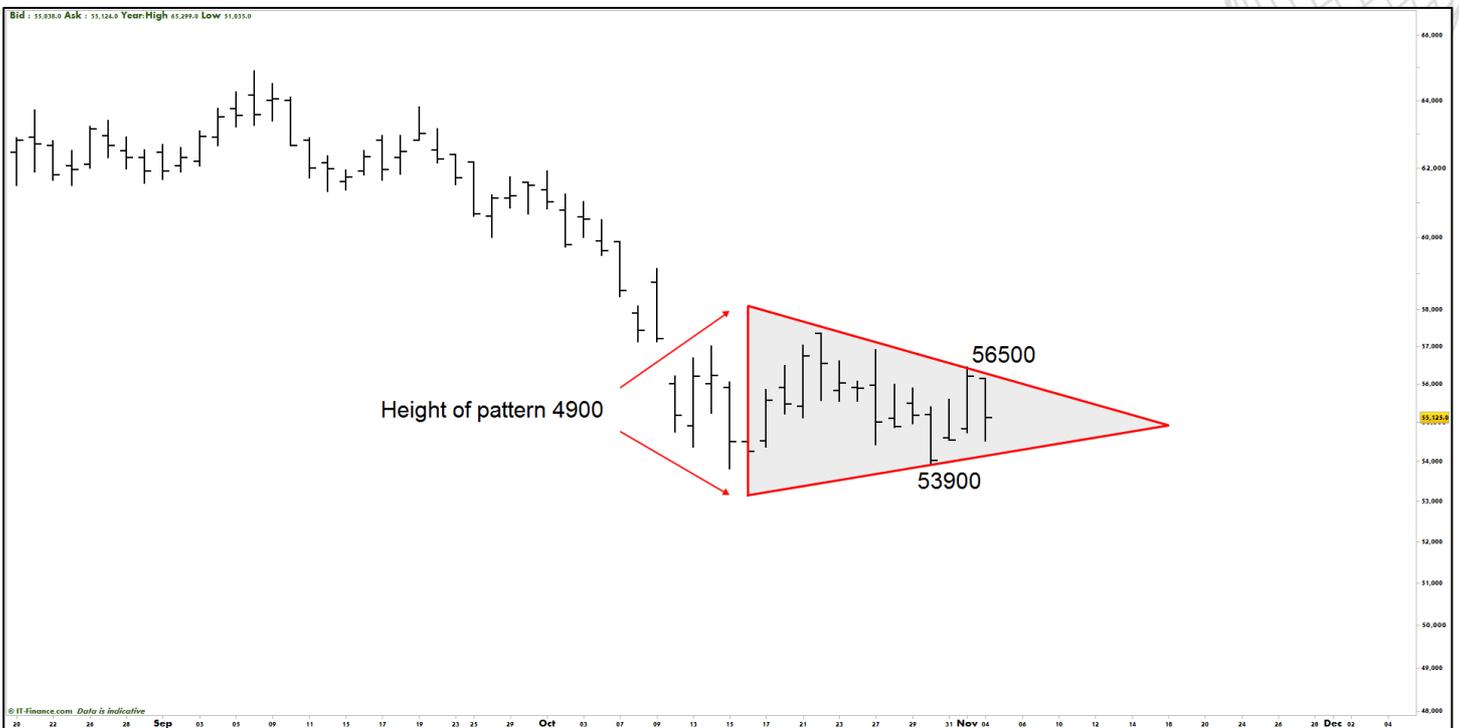
SHARES | 52 WEEK LOWS

Exxaro Resources
Harmony Gold Mining

3. CONSOLIDATIONS TO WATCH

SASOL LTD (Daily chart)

The price of Sasol has formed a triangle consolidation pattern. This pattern highlights the lack of directional commitment in the short-term. These consolidations are generally considered continuation patterns as they have a habit of occurring before the continuation of the preceding trend, which in this scenario is down. It is however prudent to wait for a breakout in either direction before considering the new directional commitment. For an upside breakout to occur, the price would need to close above the 56500 level, while a downside breakout is considered should the price close below 53900. When a breakout does occur, the height of the channel (4900) predicts move of equal proportion in the same direction of the breakout.

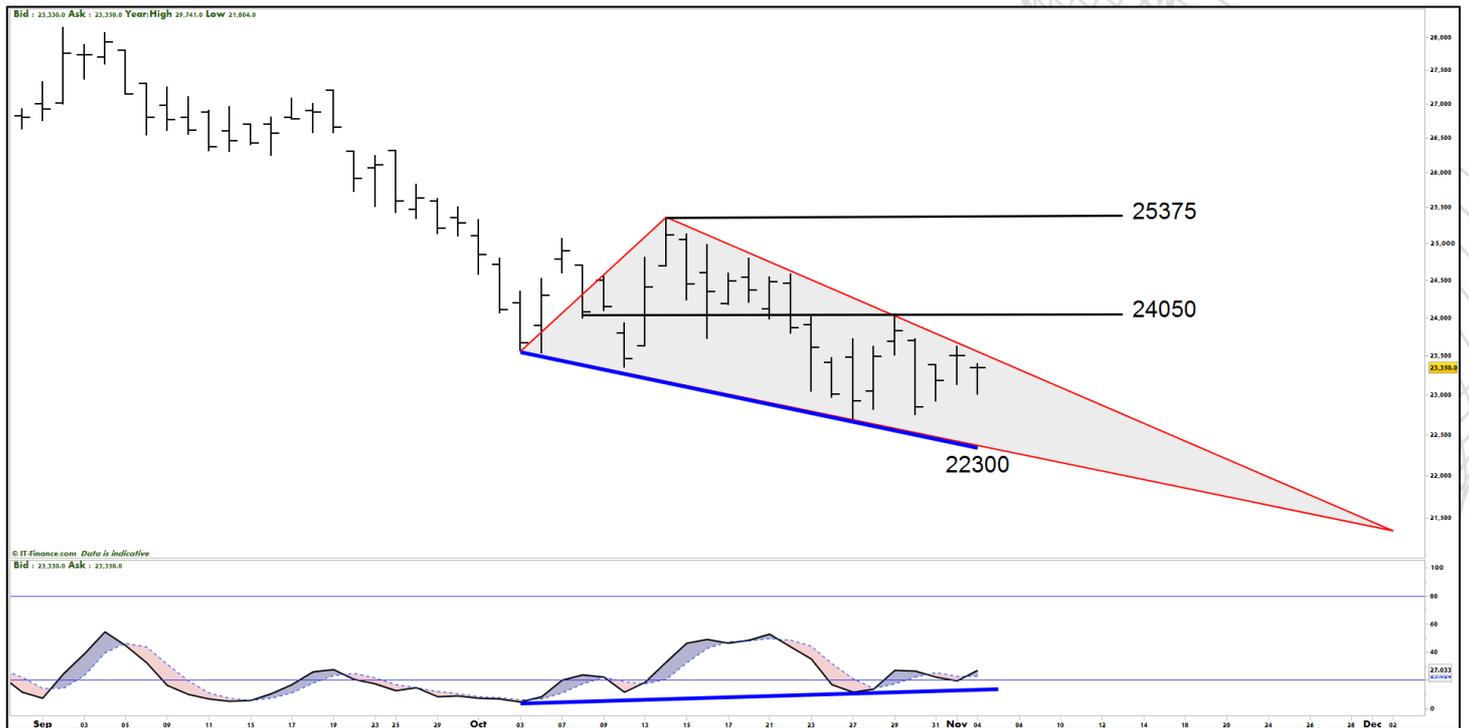




3. CONSOLIDATIONS TO WATCH CONTINUED

ANGLO AMERICAN PLC (SA) (Daily chart)

The price of Anglo American Plc looks to be reversing off support of a falling wedge. A falling wedge in a downtrend alludes to the loss of downward momentum and suggests a possible short-term rebound in price. At wedge support, the price has displayed a positive divergence with the Stochastic Oscillator as the indicator crosses out of oversold territory. These indications are considered short-term bullish and favour a move towards initial resistance at 24050, which if broken further favours a move towards the 25375 level. A price close below wedge support at 22300 would consider the failure of these bullish indications.

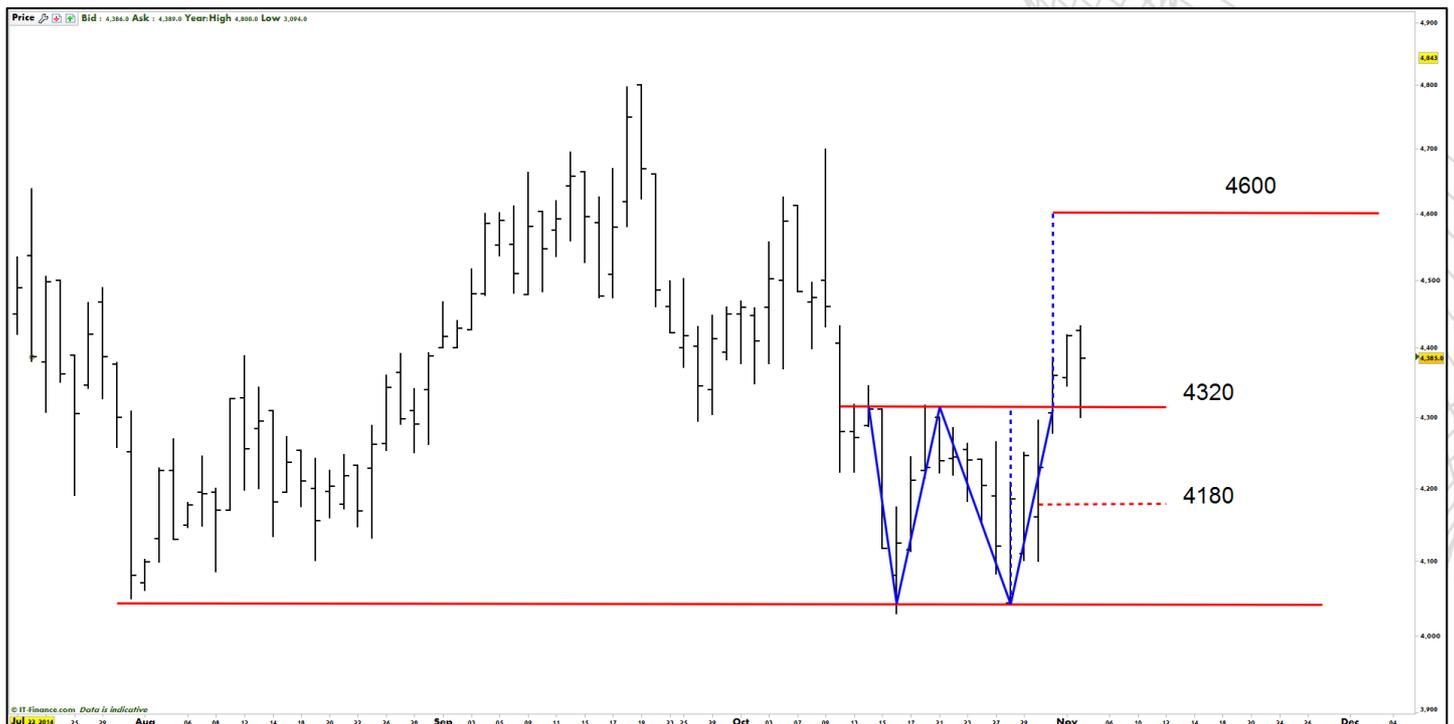




4. BREAKOUT TO WATCH

SAPPI LTD (Daily chart)

The price of Sappi has formed a double bottom formation (Blue "W"). This pattern alludes to the reversal of the preceding downtrend, and is considered a bullish indication in technical analysis terms. A target is derived by measuring the height of the pattern and projecting an equal distance from the breakout level at 4320 (dotted blue lines) to arrive at 4600. The price closing below 4180 would consider the failure of the bullish indication. The failure level is considered as half the distance of the projected target, subtracted from the breakout level price.





5. MARKET OVERVIEW

Key Indicators

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

Banks

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

Financial

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

Food Retailers

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

Retailers

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

Construction

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



5. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Resources

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

Industrials

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