



## TECHNICAL TUESDAYS

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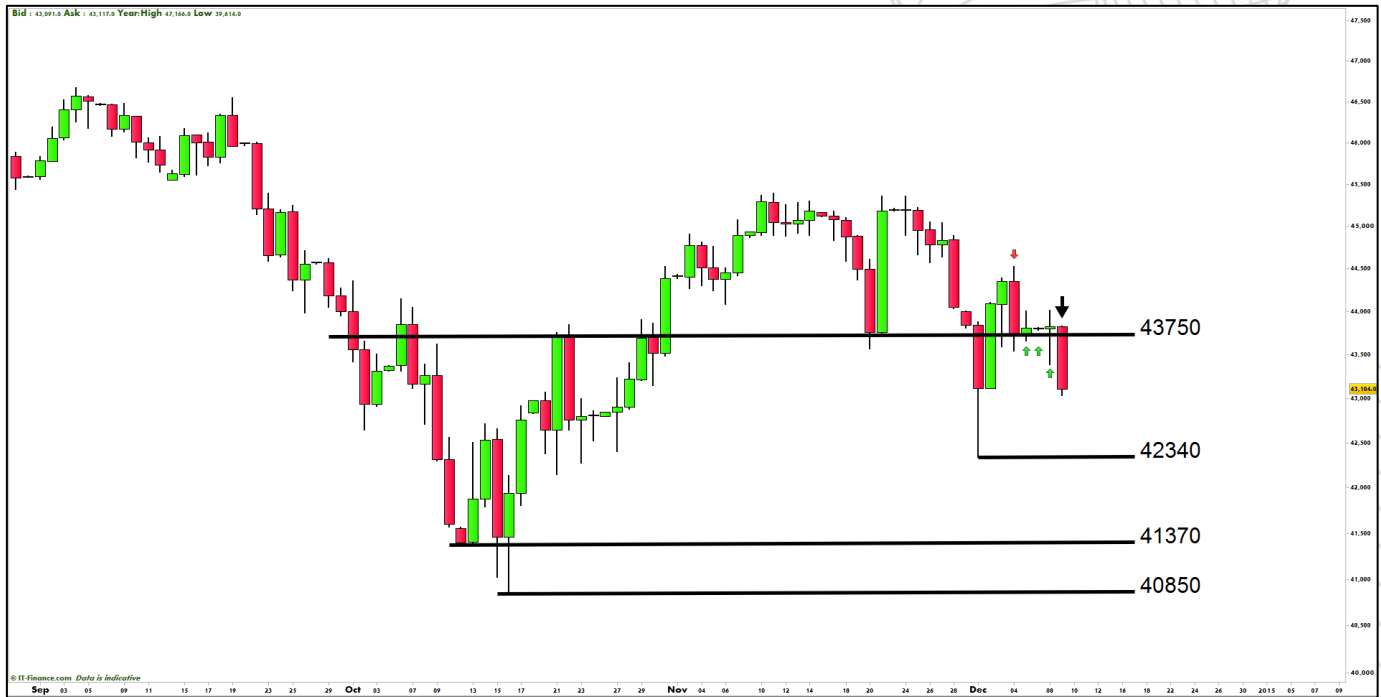
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# 1. SOUTH AFRICA 40 INDEX



## SOUTH AFRICA 40 INDEX

- Last week's rebound on the South Africa 40 cash index lost its momentum, and the price instead consolidated around the key level of 43750
- The green and red arrows show how the price has been closing above and below the level and previously non-committal to a direction
- Today's price action marked with the black arrow does however show directional commitment, to the downside
- The 43750 level is now considered a possible resistance level, while the recent low at 42340 becomes the anticipated (and favoured) support target
- Should this support level break, the next levels of support are considered at 41370 and 40850
- For the short-term bias to reverse to bullish we would need the price to start trading above our key level (43750) once again



## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

Famous Brands  
Kap Industrial  
Coronation International  
Steinhoff International

### SHARES | 52 WEEK LOWS

Coal of Africa  
Sentula Mining  
Kumba Iron Ore  
Omnia Holdings  
ArcelorMittal  
Impala Platinum  
DRDGold  
African Rainbow Minerals  
PPC Ltd  
Anglo American Platinum  
Eqstra Holdings  
Sasol  
Basil Read Holdings

## 3. EQUITIES TO WATCH

### CAPITEC BANK HOLDINGS LTD (Daily chart)

The price of Capitec has retraced from its recent high in a wedge styled formation (black lines). This pattern highlights a slow grind down after a strong move up alluding to the momentum remaining bullish for the share price. Circled in red is a bullish engulfing candle pattern which considers a bullish reversal from the pullback in price. The reversal has occurred off horizontal support. These considerations favour renewed gains with the recent high at 31650 the initial target. A price close below 28800 would allude to the failure of the bullish indications.



## 4. CURRENCIES TO WATCH

### USD/ZAR (Daily chart)

The USD/ZAR has broken out of a triangle consolidation pattern which suggests the continuation of the preceding trend of the rand weakening against the dollar. The price is however pulling back today and pattern traders may consider long entry should the price retest the breakout area at R11.28. The height of the pattern projected (dotted black lines) considers an upside target of R11.95, while the price close below R11.10 would consider the failure of the bullish technical pattern.



### EUR/ZAR (Daily chart)

The EUR/ZAR has broken out of a double bottom (blue "W") and falling wedge (red coloured) formation. These patterns are considered bullish reversal patterns in the current context and favour a continued short-term rebound. A price pullback towards trend line and horizontal support at R14.05 could afford long entry for traders of these types of formations. The initial target from the wedge resistance is considered at R14.38, which if broken considers the projected target from the double bottom formation at R14.55. A price close back within the wedge formation below R13.75 would allude to the failure of the bullish formations considered.





## 5. MARKET OVERVIEW

### Key Indicators

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

### Banks

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

### Financial

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

### Food Retailers

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

### Retailers

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

### Construction

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



## 5. MARKET OVERVIEW CONTINUED...

### Telecomms

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

### Platinum

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

### Resources

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

### Industrials

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