



## TECHNICAL TUESDAY

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

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# 1. SOUTH AFRICA 40 INDEX



## SOUTH AFRICA 40 INDEX

- The South Africa 40 Cash Index did manage to close above the all-time high at 47150 last week but failed to gain impetus in continuing the rally, but rather moved into a short-term consolidation
- The new short-term range is considered between levels 46500 and 47410
- The Stochastic has started to move back out of overbought territory as we consolidate
- A sideways price consolidation at this stage looks bullish as sellers have not been allowed to gain any traction
- A range trading opportunity is considered with a long bias, favouring a retest of the 47410 resistance level
- Should an upside breakout occur the height of the range projected would consider a proportionate 910 point upside move
- Should a downside breakout of support at 46500 occur trend followers would look to accumulate at the lower levels of support rather than trade against the longer-term uptrend



## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

Telkom SA Ltd  
Capitec Bank Holdings Ltd  
New Europe Properties Ltd  
Liberty Holdings Ltd  
RMI Holdings Ltd  
Redefine Properties Ltd  
EOH Holdings Ltd  
Mondi Ltd  
Investec PLC (SA)  
Mr Group Ltd

### SHARES | 52 WEEK LOWS

Invicta Holdings Ltd  
Impala Platinum Holdings Ltd  
Lonmin PLC (SA)  
SacOil Holdings Ltd

## 3. EQUITIES IN FOCUS

### OMNIA HOLDINGS LTD (Daily chart)

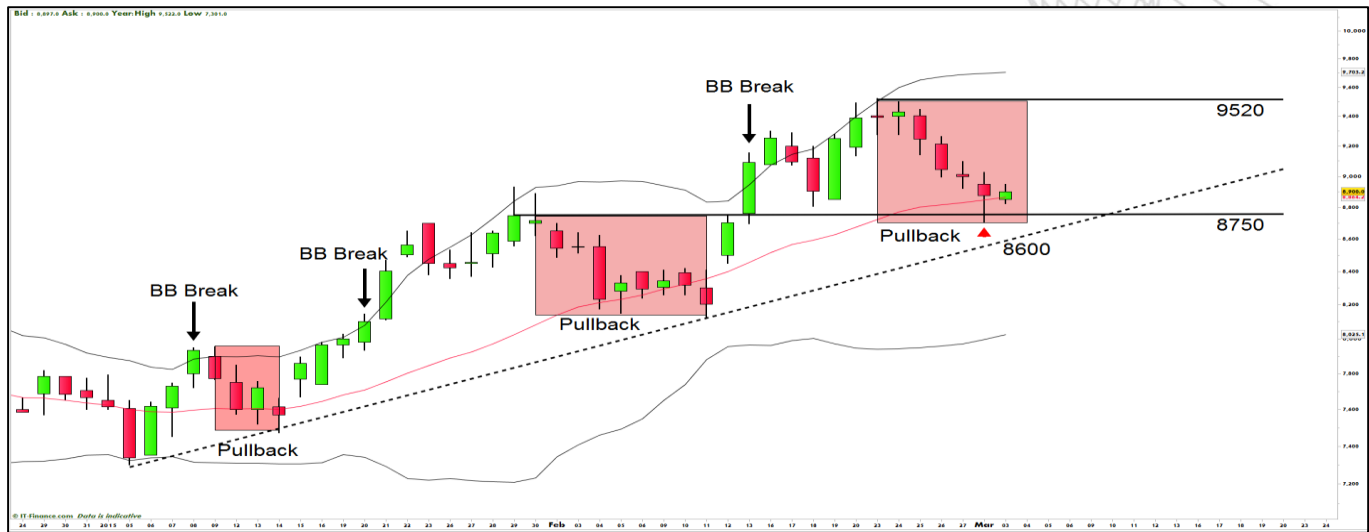
The price of Omnia Holdings has broken out of a double bottom reversal pattern (blue "w"). The pattern suggests that the price has now reverted from a downtrend into a short-term uptrend. A return to short-term resistance at 19220 is the initial target favoured, a break of which further favours a move to the target projected from the height of the pattern (dotted red lines) at 20650. A price close below support at 17750 would consider the failure of the bullish reversal pattern.



### 3. EQUITIES IN FOCUS CONTINUED...

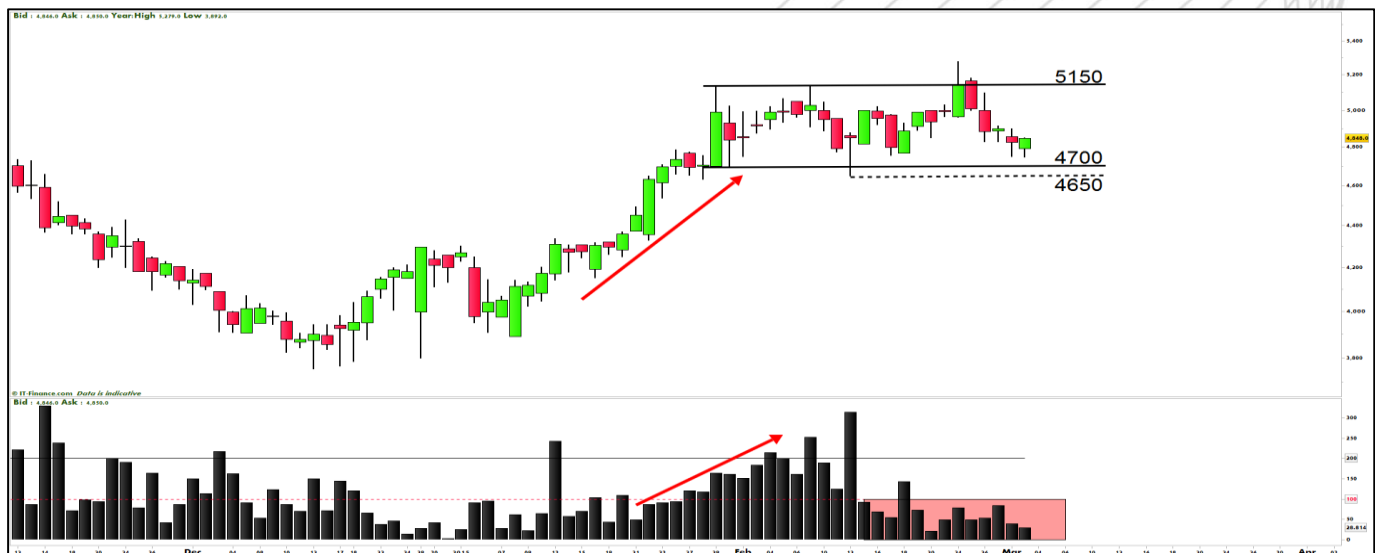
#### WOOLWORTHS HOLDINGS LTD (Daily chart)

The price of Woolworths has experienced its first pullback after reaching a new all-time high. The current pullback is the first significant retracement after the most recent break of the upper Bollinger Band. The Bollinger breakouts, preceded by low volatility, show a strong directional commitment and the first pullbacks thereafter (to the middle Bollinger line or 20MA) often provide a second opportunity for entry in line with the original breakout. The red arrow highlights an intraday bullish candlestick reversal at horizontal support and the 20MA (red line). A move to retest the recent high at 9520 is favoured, while the price closing below trend-line support at 8600 would consider the failure of the bullish indications.



#### SAPPI LTD (Daily chart)

Sappi has entered into a range bound price environment with the support thereof considered at 4700 and resistance at 5150. The preceding move up was supported by a strong increase in volume (red arrows) while the current volume into the range consolidation (red rectangle) is low on a relative basis. This alludes to the longer-term price momentum remaining bullish. With this in mind, the shorter-term range finds favour with a long bias and a move back towards resistance at 5150 is favoured. A price close below 4650 would consider the failure of the bullish considerations.







## 4. MARKET OVERVIEW

### Key Indicators

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

### Banks

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

### 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	Up	Up	Up	Increasing	Overbought
Old Mutual	Up	Up	Up	Decreasing	Overbought

### Food Retailers

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

### Retailers

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

### Construction

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



## 4. MARKET OVERVIEW CONTINUED...

### Telecomms

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

### Gold

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

### Platinum

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

### Resources

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

### Industrials

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