



TECHNICAL TUESDAY

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1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The SA40 Cash Index broke the 46500 support last week and traded through the 45925 level
- The price has since rebounded to find resistance on what was previous support at 46500
- The 45925 level has now been removed as it appears to have lost its relevance
- The price activity highlighted in red looks ambiguous as it may be a bullish reversal or consolidation (between levels 45550 and 46500)
- As the underlying trend (long-term) remains bullish, while the Stochastic has started to move back out of oversold territory, a long bias remains favoured in either scenario
- Breakout traders could wait for a close above resistance at 46500 before anticipating a retest of the 47410 level
- Range traders might look to accumulate near support at 45550 (should weakness occur) anticipating a move back to the 46500 level, with a close below 45100 as a possible failure level



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Capitec Bank Holdings Ltd
Investec Ltd
Investec Plc (SA)
Foschini Group Ltd
Old Mutual Plc (SA)
EOH Holdings Ltd
Mondi Ltd
Naspers Ltd
RMB Holdings Ltd
RMI Holdings Ltd
Netcare Ltd
Liberty Holdings Ltd

SHARES | 52 WEEK LOWS

Barloworld Ltd
Illovo Sugar Ltd
Wilson Bayly Holmes-Ovcon Ltd
PPC Ltd
Kumba Iron Ore Ltd
Murray & Roberts Holdings Ltd
Argent Industrial Ltd
Assore Ltd
African Rainbow Minerals Ltd
Coal of Africa Ltd
Consolidated Infrastructure Group Ltd
Invicta Holdings Ltd

3. EQUITIES IN FOCUS

DISCOVERY LTD (Daily chart)

The price of Discovery is experiencing short-term weakness following corporate activity in the form of a dividend adjustment and rights issue activity. The long-term uptrend remains intact, and the relative strength comparison indicator shows how the share price is in a trend of outperformance against the Top40 index. Short-term support levels are considered between 12060 and 11400 and should the price retrace towards these levels, trend followers might find opportunity to accumulate long with the initial upside target considered at the recent high (13477).

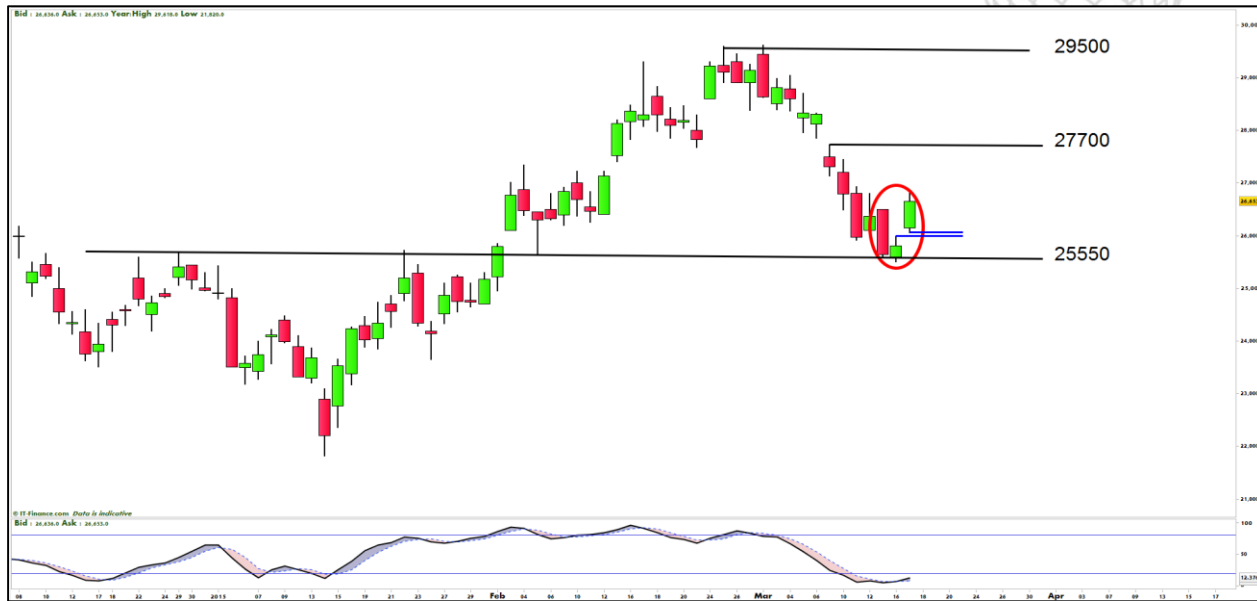




3. EQUITIES IN FOCUS CONTINUED...

BHP BILLITON PLC (SA) (Daily chart)

The price of BHP Billiton has formed a bullish candlestick reversal pattern (circled red) off support at 25550 while the Stochastic has crossed its trigger line in oversold territory. The indications allude to the end to the short-term decline from this year's highs and a possible rebound to follow. Gap resistance at 27700 is the favourite upside target in the short-term, while a close below support at 25550 would consider the failure of the bullish indications.



WOOLWORTHS HOLDINGS LTD (Daily chart)

Woolworths looks to have started a bullish reversal after the pullback from its all-time high. The Stochastic has crossed its trigger line in oversold territory whilst showing a positive divergence with the price (dotted black lines). These indications are considered bullish and a move towards resistance at 9140 is favoured in the near-term. Should this level be breached the recent high around 9500 is the next anticipated price target. A price close below 8340 would consider the failure of the bullish indications.





4. MARKET OVERVIEW

Key Indicators

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

Banks

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

Financial

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

Food Retailers

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

Retailers

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

Construction

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



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Resources

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

Industrials

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