



TECHNICAL TUESDAY

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1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The South Africa 40 cash index broke the 45550 support level intraday, although failed to confirm a downside breakout with a close below this level
- The price has since reversed and is trading mid-range between horizontal levels 45550 and 46700
- The move down from the highs has taken the form of a channel marked with the dotted black parallel lines
- While the price trades in the middle of both the channel and horizontal range, caution is preferred, awaiting a true directional move through a breakout
- While underlying local financial markets are closed on Friday (and Monday) with U.S. jobs data scheduled for release, further caution is considered
- For an upside breakout we await a close above 46700 considering a move to retest the all-time high at 47410
- Should horizontal support be broken at 45550 (confirmed with a close) channel support is considered at around 45000



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

PSG Group Ltd
Zeder Investments Ltd
Steinhoff International Holdings Ltd
Liberty Holdings Ltd
RMB Holdings Ltd
FirstRand Ltd
Capitec Bank Holdings Ltd
City Lodge Hotels Ltd
Pioneer Foods Ltd
Resilient Property Income Fund Ltd

SHARES | 52 WEEK LOWS

Sentula Mining Ltd
Anglo American Platinum Ltd
Merafe Resources Ltd
Murray & Roberts Holdings Ltd
Allied Electronics Corp Ltd
Impala Platinum Holdings Ltd
ArcelorMittal South Africa Ltd
Coal of Africa Ltd

3. EQUITIES IN FOCUS

ASPEN PHARMCARE HOLDINGS LTD (Daily chart)

Aspen looks to have reversed its short-term decline after reaching the 200-day simple moving average (200MA). The bullish reversal has taken the shape of a double bottom pattern (black "W" on chart). The reversal is also supported by the Stochastic now moving out of oversold territory while showing a positive divergence with the price. These indications are short-term bullish and a move towards resistance at 40400 is favoured, a break of which further favours 42000 as the next resistance target. A close below support at 36250 would consider the failure of the bullish indications.



3. EQUITIES IN FOCUS CONTINUED...

INVESTEC PLC (SA) (Daily chart)

Investec Plc has formed a morning star candlestick reversal after the short-term decline from its all-time high. The pattern suggests that the move down has come to an end with the possibility of a rebound in price to come. The Stochastic has crossed out of oversold territory supporting the bullish price indication. Furthermore, the relatively low volume on the decline followed higher volume on the preceding move up suggesting that the enthusiasm remains with the bulls. A move towards resistance at 10690 is favoured, a break of which further favours a retest of the all-time high at 11000. Should the price fall and close below 10015 the bullish indications would be deemed to have failed.



MONDI LTD (SA) (Daily chart)

Mondi Ltd looks to have completed the short-term pullback from its all-time high. The red parallel lines highlight a bullish flag formation and the price has now broken out of this pattern. These patterns show a weak move down relative to a strong preceding move up, suggesting that the momentum for the share remains positive. The Stochastic is supporting the price as it moves out of oversold territory. The closing high at 24840 is the initial target favoured, while a close below flag support at 22430 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	Decreasing	Neutral
USD/ZAR	Sideways	Up	Up	Decreasing	Neutral
Spot Gold	Sideways	Down	Down	Flat	Neutral

Banks

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

Financial

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

Food Retailers

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

Retailers

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

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	Decreasing	Neutral
WBHO	Down	Down	Down	Decreasing	Neutral



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Resources

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

Industrials

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