



TECHNICAL TUESDAY

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Shaun has worked in financial markets for over seven years, and previously ran IG's KZN branch before moving to Johannesburg.

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

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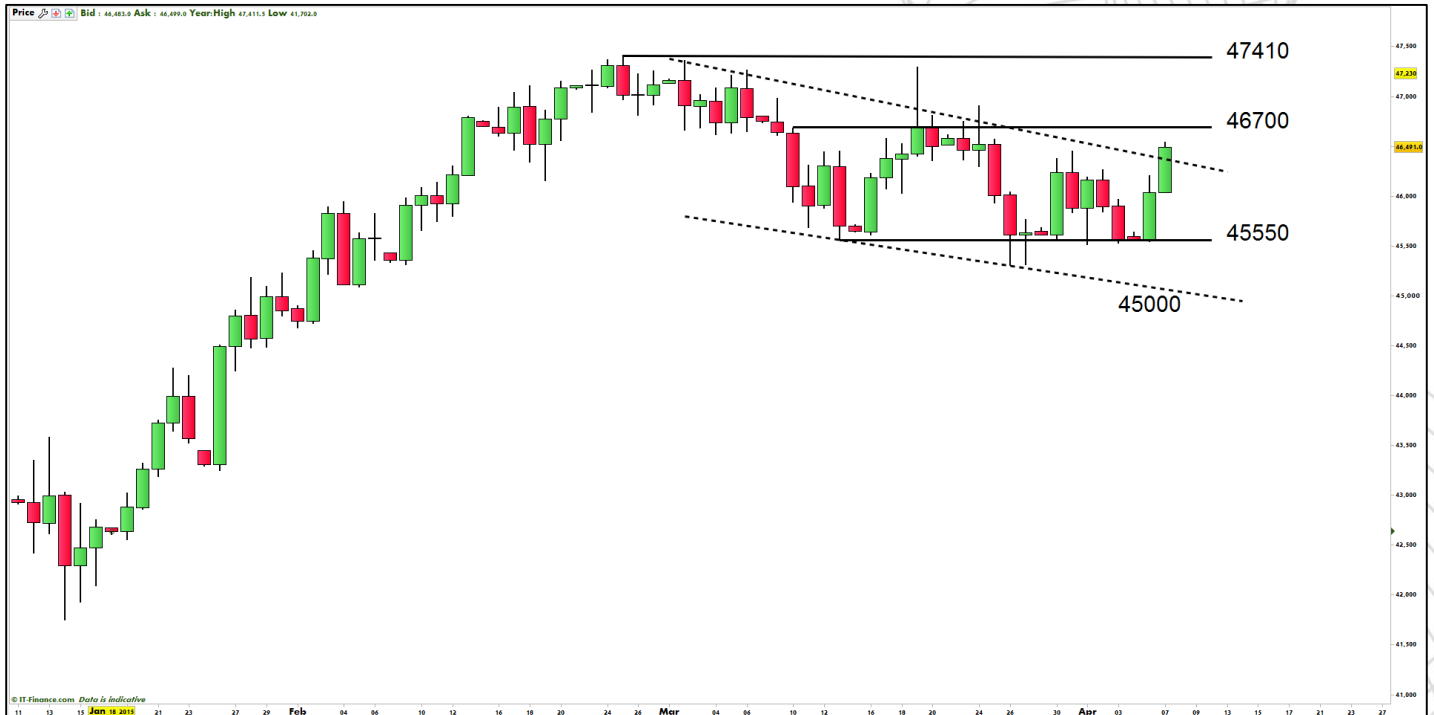
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1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The South Africa 40 cash index has respected the guided support level at 45550 as it once again tested the level, before rebounding towards the range trading target of 46700
- Breakout traders will be looking for a close above 46700 for a move to retest the recent high at 47410
- The price does however remain in a broader consolidation between horizontal levels 45550 and 47410
- These levels will be monitored going forward for clues relating to the continuation or reversal of the preceding uptrend



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Standard Bank Group Ltd
Capitec Bank Holdings Ltd
FirstRand Ltd
Foschini Group Ltd
RMB Holdings Ltd
Satrix FINI
PSG Group Ltd
Mr Price Group Ltd
Village Main Reef Ltd
Naspers Ltd

SHARES | 52 WEEK LOWS

Kumba Iron Ore Ltd
Merafe Resources Ltd
Aquarius Platinum Ltd
Murray & Roberts Holdings Ltd

3. COMMODITY IN FOCUS

SPOT GOLD (Daily chart)

The price of spot gold has formed an inverse head and shoulders formation (marked L, H & R). The pattern suggests a reversal of the preceding downtrend. The height of the pattern projected from the breakout level (dotted vertical lines) suggests a proportionate upside target at \$1275/oz. A price close below the left shoulder at \$1177/oz. would consider the failure of the bullish formation.





4. EQUITIES IN FOCUS

HARMONY GOLD MINING CO LTD (Daily chart)

The price of Harmony is forming (not yet completed) a double bottom formation (blue "W"). The pattern warns of the preceding downtrend reversing into a near-term uptrend. For the pattern to complete, the price would need to close above resistance at 2370. Should this occur, the height of the pattern projected from the breakout level arrives at an upside target of 2800, while a close below trend line support at 2175 would consider the failure of the bullish indication.



SHOPRITE HOLDINGS LTD (Daily chart)

The price of Shoprite is forming (not yet completed) a double bottom formation (blue "W"). The pattern warns of the preceding downtrend reversing into a near-term uptrend. For the pattern to complete, the price would need to close above resistance at 16550. Should this occur, the height of the pattern projected from the breakout level arrives at an upside target of 17725, while a close below trend line support at 15750 would consider the failure of the bullish indication.





5. MARKET OVERVIEW

Key Indicators

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

Banks

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

Financial

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

Retailers

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

Construction

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



5. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Angloplat	Down	Down	Down	Flat	Oversold
Impala	Down	Down	Down	Decreasing	Neutral
Lonmin	Down	Down	Down	Decreasing	Neutral
Northam	Down	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	Increasing	Oversold
BHP Billiton	Sideways	Sideways	Down	Increasing	Neutral
Exxaro	Sideways	Sideways	Down	Flat	Oversold
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	Decreasing	Neutral
Barloworld	Up	Sideways	Down	Flat	Overbought
Bidvest	Sideways	Sideways	Up	Decreasing	Neutral
Imperial	Sideways	Sideways	Up	Decreasing	Neutral
Naspers	Up	Up	Up	Increasing	Overbought
Remgro	Down	Sideways	Up	Decreasing	Neutral
Reunert	Sideways	Sideways	Sideways	Decreasing	Oversold
SABMiller	Down	Up	Up	Flat	Oversold
Tigerbrands	Down	Down	Down	Decreasing	Oversold