



## TECHNICAL TUESDAYS

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# 1. SOUTH AFRICA 40 INDEX



## SOUTH AFRICA 40 INDEX

- The South Africa 40 cash Index confirmed a breakout of the 47410 resistance, although has not yet succeeded in reaching the trend line resistance target alluded to last week
- The price looks to be in a short term consolidation at present as it pauses from the recent run up
- The Stochastic is in overbought territory, although this is not a signal to trade against the long term uptrend
- In an uptrend, overbought signals can persist for quite some time and are perhaps more reliable a signal for exiting a long trade rather than trading counter trend
- Trend remains more relevant than the momentum indication and the trendline resistance target has been revised up to 48500
- Aggressive long entry would consider the 47410 level perhaps providing leeway to 47400
- A more conservative trading approach may be to wait for overbought conditions to subside which can occur if the price continues to consolidate sideways
- Should weakness start to play out long entry might also be considered at 46700 support with the initial target a retest of 47410 resistance
- A close below trendline support at 46300 would be considered as a failure level for the above

## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

JD Group Ltd  
 Pioneer Foods Ltd  
 Zeder Investments Ltd  
 Investec Ltd  
 Investec PLC (SA)  
 Mediclinic International Ltd  
 PSG Group  
 RMI Holdings  
 Satrix FINI  
 Vodacom Group Ltd

### SHARES | 52 WEEK LOWS

Merafe Resources Ltd  
 Exxoro Resources Ltd  
 Illovo Sugar Ltd  
 Argent Industrial Ltd

## 3. EQUITIES IN FOCUS

### MTN GROUP LTD (Daily chart)

After forming a broad consolidation (red rectangle) between levels 19775 and 22200, MTN looks to have broken out of this range in an attempt to reverse the downtrend which preceded the consolidation. The price has started to pullback marginally since the upside breakout occurred. The pullback, consisting of the last three days decline has failed to erase the gain on of the one breakout day, alluding to the momentum as remaining bullish. 23450 is the initial upside target favoured, while a close below support at 21800 would consider the failure thereof.





### SIBANYE GOLD LTD (Daily chart)

Sibanye Gold has broken out of a double bottom reversal pattern. The pattern suggests that the preceding downtrend is now starting to “reverse” into a new uptrend. The height of the pattern projected from the breakout level arrives at a proportional upside target of 3110. A close below trendline support at 2730 would consider the failure of the bullish indication.



### JOHNSON & JOHNSON

After a longer term uptrend (blue arrow), Johnson & Johnson has pulled back from its recent high to trade within a range bound price environment in both the short and medium terms. The preceding uptrend suggest short term traders may prefer a long bias to their trades. The short term range is highlighted with the red box between levels 9845 and 10330. Range traders might look to accumulate at support (9845) targeting a move towards resistance (10330) for an exit. Breakout traders would look for a close above 10330 before targeting a move back to the recent high at 10920. Should the price start trading below support at 9680, this may be considered bearish in that the longer term uptrend could be starting to reverse.





## 4. MARKET OVERVIEW

### Key Indicators

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

### Banks

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

### Financial

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

### Food Retailers

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

### Retailers

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

### Construction

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



## 4. MARKET OVERVIEW CONTINUED...

### Telecomms

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

### Gold

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

### Platinum

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

### Resources

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

### Industrials

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