



TECHNICAL TUESDAY

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1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The South Africa 40 cash index has moved to and exceeded the trend line resistance target at 48500
- The index remains in overbought territory, but as alluded to in previous weeks, this is less relevant than the strong uptrend which prevails
- However, traders that have been long for some time might consider the overbought signal a suggestion that profit taking could be a prudent option at current levels
- Swing traders and trend followers alike would be hoping for a retrace towards support at 47980, for an opportunity for long entry, targeting a retest of the recent high at 49298 with a trading stop loss considered should the price close below 47410 support
- The longer-term upside target, as projected from a weekly chart in previous weeks, remains at 49840



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

FirstRand Ltd
Investec Ltd

SHARES | 52 WEEK LOWS

Aveng Ltd
Petmin Ltd
Raubex Group Ltd

3. EQUITIES IN FOCUS

DISCOVERY LTD (Daily chart)

The price of Discovery has formed a falling wedge pattern, whilst being in a longer-term uptrend. The pattern alludes to a slow cumbersome move down relative to the strong move up, which preceded, suggesting that the momentum remains bullish. The resistance level at 13850 is the initial target favoured, followed by a retest of the recent high at 14400. A price close below support at 13000 would consider the failure of the bullish indication.



3. EQUITIES IN FOCUS CONTINUED...

FOSCHINI GROUP LTD (Daily chart)

The price of Foschini looks to be finding support on what was previously a resistance level at 18200. The move back to this level marks the first pullback from a new high since a breakout of this level (9375) occurred. The Stochastic has moved into oversold territory and is showing a bullish divergence with the price (although not yet confirmed). Trend followers might consider this an opportunity to join the underlying uptrend with a move to retest the recent high at 20178 the initial target. A close below horizontal support at 17290 would indicate the short-term failure of the bullish considerations.



CLICKS GROUP LTD (Daily chart)

The price of Clicks looks to be finding support on what was previously a resistance level at 9375. The move back to this level marks the first pullback from a new high since a high volume breakout of this level (9375) occurred. Trend followers might consider this an opportunity to join the underlying uptrend with a move to retest the recent high at 10050 the initial target. A close below horizontal support at 9090 would indicate the short-term failure of the bullish consideration.





4. MARKET OVERVIEW

Key Indicators

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
S&P 500	Up	Up	Up	Decreasing	Neutral
South Africa 40	Up	Up	Up	Decreasing	Overbought
USD/ZAR	Sideways	Sideways	Up	Decreasing	Neutral
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	Overbought
Nedbank	Up	Up	Up	Increasing	Overbought
Standard Bank	Up	Up	Up	Flat	Neutral

Financial

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

Food Retailers

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

Retailers

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

Construction

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



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Platinum

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

Resources

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

Industrials

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