



TECHNICAL TUESDAYS

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SHAUN MURISON

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

As market analyst he presents our CFD trading seminars around the country. In addition, Shaun is a regular commentator on the local financial markets, making contributions to various media (such as CNBC Africa and Business Day) and writing daily and weekly market reports. He is a registered person as well as Certified Market Technician (CFTE).



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

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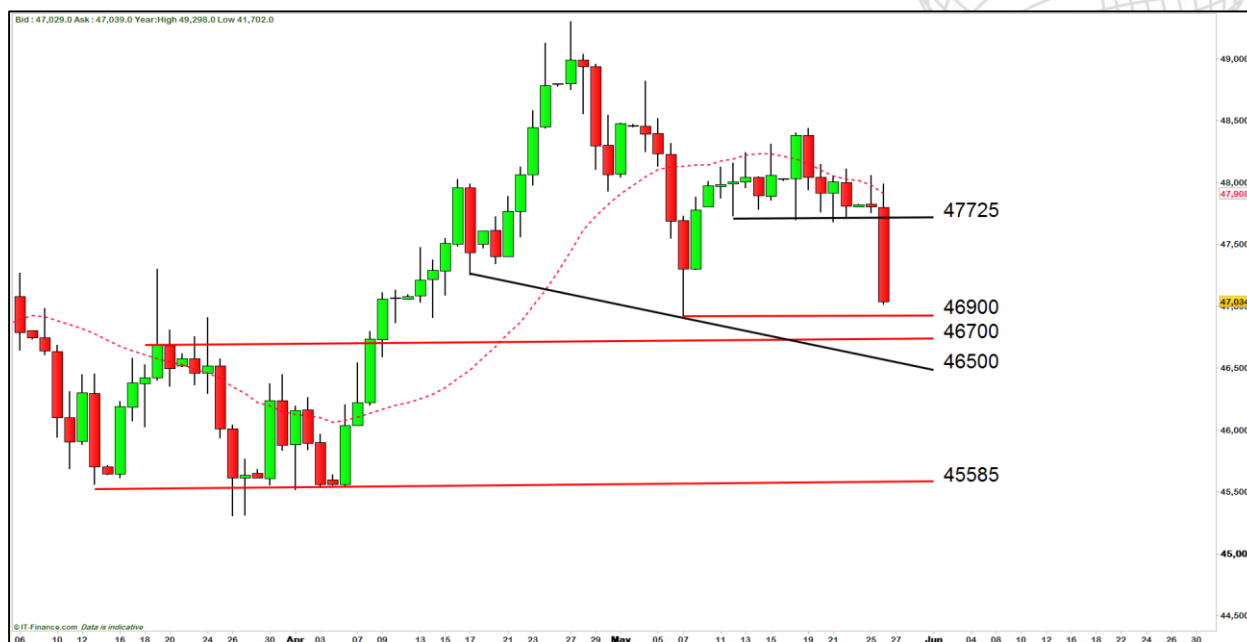
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1. SOUTH AFRICA 40 INDEX

SOUTH AFRICA 40 INDEX



- The SA40 cash index has failed to find any traction in the move up from the tentative breakout and the guided support level at 47725 has been broken with significant force
- Possible levels of downside support considered are nested between levels 46900, 46700 and 46500
- Should the price not manage to reverse at or before these levels, a close below 46500 considers a move to the next level of support at 45585
- The sudden sharp move down suggests traders with a bullish bias might refrain from attempting to bottom pick a long entry until at least the lower level of trend line support is reached at 46500 or a clear bullish reversal is evident



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Woolworths Holdings Ltd
Lewis Group Ltd
Spur Group Ltd
DataTec Ltd (SA)
KAP Industrial Holdings Ltd
Mondi Ltd (SA)

SHARES | 52 WEEK LOWS

Exxoro Resources Ltd
Aveng Ltd
Illovo Sugar Ltd

3. EQUITIES IN FOCUS

NASPERS LTD (Daily chart)

The price of Naspers has formed a triangle consolidation. The low volume which has accompanied the non-directional price movement over the last few weeks as well as the narrowing volatility indicated by the Bollinger bands confirm the current consolidation. Breakout traders would look to a close above 187000 for an upside breakout or a close below 180000 for a downside breakout. The height of the consolidation (13000) predicts a move of equal distance in the direction of the breakout after it occurs. Breakout traders might use a sudden surge in the volume and/or sharp widening of the Bollinger Bands as confirmations of a true price breakout. As the long term trend remains firmly up, traders might favour waiting for weakness to play out before looking for long entry, rather than trading against this longer term uptrend.





PICK N PAY HOLDINGS LTD (Daily chart)

The price of Pick n Pay has formed a triangle consolidation. The low volume which has accompanied the non-directional price movement over the last few weeks as well as the narrowing volatility indicated by the Bollinger bands confirm the current consolidation. Breakout traders would look to a close above 5740 for an upside breakout or a close below 5540 for a downside breakout. The height of the consolidation (270c) predicts a move of equal distance in the direction of the breakout after it occurs. Breakout traders might use a sudden surge in the volume and/or sharp widening of the Bollinger Bands as confirmations of a true price breakout.



CLICKS GROUP LTD (Daily chart)

The price of Clicks has formed a bullish price reversal (circled blue) off support at 8580. The share has also moved into oversold territory and we have seen relatively high volume accompanying the short term price reversal. These indications have bullish implications and a range trade opportunity is considered at current levels with initial resistance the favoured target at 9200, a break of which further favours a move to the next level of resistance at 9400. A price close below 8400 would consider the failure of the bullish reversal.





4. MARKET OVERVIEW

Key Indicators

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

Banks

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

Financial

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

Food Retailers

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

Retailers

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

Construction

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



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Resources

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

Industrials

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