



TECHNICAL TUESDAYS

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1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- After falling just short of the 47540 resistance target, the South Africa 40 Cash Index has fallen back to support at 45180.
- The index now looks to have moved into a short term consolidation (highlighted by the red square).
- The long tails on the candles marked with green arrows show the price being rejected below the 45180 level, with the index has been bought back on three different occasions to close above the level once again.
- With this in mind, the downside breakout level has now been revised to the lows of the tail at 44880.
- A close below 44880 considers further downside with the initial target being the previous low at 43830. In this situation failure of a downside move is considered with a close above 45180.
- For renewed faith in an upside move, a close above the 46045 level is necessary.



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

Nampak Ltd
MTN Group Ltd
Coronation Fund Managers Ltd
Keaton Energy Holdings Ltd
Imperial Holdings Ltd
Sibanye Gold Ltd
Exxaro Resources Ltd
Kumba Iron Ore Ltd
Sun International Ltd
Lonmin PLC (SA)
Aveng Ltd

SHARES | 52 WEEK LOWS

Capital & Countries Properties PLC
Intu Properties PLC (SA)

3. EQUITIES IN FOCUS

INVESTEC LTD (Daily chart)

Investec Ltd has been trading in a broad channel over the last year or so. The short term decline looks to have ended with a candlestick reversal pattern (bullish Harami) circled blue. The Stochastic has crossed its trigger line in oversold territory and is displaying a positive divergence with the price (red lines). The volume on the recent decline has been low on a relative basis. These are considered bullish technical indications and a short term rebound to resistance at 11970 is favoured. A close below a recent low at 10480 considers the failure of the aforementioned bullish indications.





BRAIT SE LTD (Daily chart)

The short term pullback from the recent highs looks to have ended as the share price starts to reverse off trend line support. Supporting the price action, we see the Stochastic starting to move out of oversold territory whilst displaying a positive divergence with the price. These indications appear bullish and a move towards the recent closing high at 16000 is favoured. A close below the short term low at 13500 would consider the failure of the aforementioned bullish indications.



DISCOVERY LTD (Daily chart)

After breaking out of the inverse head and shoulders (IHS) formation labelled L, H and R, the price of Discovery has retraced back towards the breakout level (12850). The pullback sees the Stochastic in oversold territory whilst displaying a positive divergence with the price (dotted red lines). These are considered bullish technical indications and favour a move back to resistance at 13885. A further target is considered at 14450, which is a projection from the IHS formation.

A close below support at 12850 considers the failure of the aforementioned bullish indications.





4. MARKET OVERVIEW

Key Indicators

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
S&P 500	Sidew ays	Sidew ays	Up	Flat	Neutral
South Africa 40	Sidew ays	Sidew ays	Up	Flat	Neutral
USD/ZAR	Up	Up	Up	Increasing	Overbought
Spot Gold	Sidew ays	Dow n	Dow n	Increasing	Neutral

Banks

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Barclays Africa	Sidew ays	Sidew ays	Sidew ays	Increasing	Oversold
FirstRand	Sidew ays	Sidew ays	Up	Increasing	Oversold
Nedbank	Dow n	Sidew ays	Sidew ays	Increasing	Oversold
Standard Bank	Sidew ays	Sidew ays	Sidew ays	Decreasing	Oversold

Financial

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

Food Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Pick 'n Pay	Up	Up	Up	Increasing	Neutral
Shoprite	Sidew ays	Sidew ays	Sidew ays	Increasing	Oversold
Spar	Sidew ays	Up	Up	Increasing	Oversold

Retailers

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Compagnie Richemont	Sidew ays	Sidew ays	Sidew ays	Increasing	Oversold
Foschini	Dow n	Dow n	Sidew ays	Flat	Oversold
Mr Price	Sidew ays	Sidew ays	Up	Increasing	Oversold
Steinhoff	Sidew ays	Up	Up	Decreasing	Neutral
Truworths	Sidew ays	Sidew ays	Sidew ays	Increasing	Oversold
Woolworths	Up	Up	Up	Flat	Neutral

Construction

	Near trend	Intermediate trend	Primary trend	Volatility	OB/OS
Aveng	Dow n	Dow n	Dow n	Increasing	Oversold
Group Five	Dow n	Dow n	Dow n	Increasing	Neutral
M & R	Sidew ays	Sidew ays	Dow n	Increasing	Oversold
WBHO	Sidew ays	Sidew ays	Dow n	Increasing	Oversold



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Industrials

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