



TECHNICAL TUESDAY

Table of contents

1	South Africa 40 index Technical analysis of the local index	2
2	Highs and lows Shares making new highs or lows over 52 weeks	3
3	Global indices in focus FTSE 100 Wall Street Germany 30	3
4	Market overview Technical analysis of the local market by sector	5

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, contributing 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.

TRADING STRATEGY AND MARKET UPDATE

Attend one of our free seminars to refine your trading strategy, with the help of our market experts

15 SEPTEMBER | PIETERMARITZBURG | [Register](#)

16 SEPTEMBER | DURBAN | [Register](#)



1. SOUTH AFRICA 40 INDEX



SOUTH AFRICA 40 INDEX

- The South Africa 40 cash index bearish reversal (circled red) highlighted last week, resulted in a decline to 42680, although the downside target at 42030 was not realised
- Instead, the price has since rebounded and looks to be trading within a rising channel marked on the chart
- Due to its slow cumbersome rising nature, the channel is considered a consolidation rather than a renewed uptrend (at this stage)
- The index has reversed of the support of this channel and looks to be targeting resistance of the short-term high at 44835
- A break of this resistance would favour a move to channel resistance at 45700
- A close below the low at 43100 would consider the failure of the suggested upswing and in turn see the downside target at 42030 favoured once again



2. HIGHS & LOWS

SHARES | 52 WEEK HIGHS

KAP Industrial Holdings Ltd
Consolidated Infrastructure Group Ltd
Pick n Pay Holdings Ltd

SHARES | 52 WEEK LOWS

Adcorp Holdings Ltd
Nampak Ltd
Lonmin Plc (SA)
Stefanutti Stocks Holdings Ltd

3. GLOBAL INDICES IN FOCUS

FTSE 100 (Daily chart)

The FTSE 100 has entered into a consolidation phase following the recent decline we have seen since the beginning of August 2015. The consolidation has taken the form of a triangle pattern, and highlights a pause in movement as the security awaits the next directional catalyst. The triangle formations are considered continuation patterns as they have a habit of forming before the trend, which preceded the formation, is resumed. The 20, 50 and 200 day simple moving averages on the chart (labelled 20MA, 50MA and 200MA) highlight the short, medium and long-term trends as currently down on the index. However, it is prudent to wait for the breakout rather than preempting the move. The upside breakout level is considered with a close above 6235, while the downside breakout level is considered with a close below 6040. The height of the pattern (360pts) considers a proportionate move in the direction of the breakout when one does finally occur.



3. GLOBAL INDICES IN FOCUS CONTINUED...

WALL STREET (Daily chart)

The Wall Street cash index has entered into a consolidation phase following the recent decline we have seen since the beginning of August 2015. The consolidation has taken the form of a triangle pattern and highlights a pause in movement as the security awaits the next directional catalyst. Triangle formations are considered continuation patterns as they have a habit of forming before the trend, which preceded the formation, is resumed. The 20, 50 and 200 day simple moving averages on the chart (labelled 20MA, 50MA and 200MA) highlight the short, medium and long-term trends as currently down on the index. However, it is prudent to wait for the breakout rather than pre-empting the move. The upside breakout level is considered with a close above 16480, while the downside breakout level is considered with a close below 16040. The height of the pattern (940pts) considers a proportionate move in the direction of the breakout when one does finally occur.



GERMANY 30 (Daily chart)

The Germany 30 index has entered into a consolidation phase following the recent decline we have seen since the beginning of August 2015. The consolidation has taken the form of an ascending triangle pattern and highlights a pause in movement as the security awaits the next directional catalyst. Triangle formations are generally considered continuation patterns as they have a habit of forming before the trend, which preceded the formation, is resumed. However, an ascending triangle is considered to have an improved probability of breaking to the upside, which in the current scenario would be a trend reversal. It is however prudent to wait for the breakout rather than pre-empting the move. The upside breakout level is considered with a close above 10390, while the downside breakout level is considered with a close below 10010. The height of the pattern (650pts) considers a proportionate move in the direction of the breakout when one does finally occur.





4. MARKET OVERVIEW

Key Indicators

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

Banks

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

Financial

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

Food Retailers

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

Retailers

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

Construction

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



4. MARKET OVERVIEW CONTINUED...

Telecomms

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

Gold

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

Platinum

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

Resources

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

Industrials

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