



## TECHNICAL TUESDAY

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### SHAUN MURISON

Shaun has worked in financial markets for over ten 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 at the JSE as well as Certified Financial Technician (CFTE).



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

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## 1. SOUTH AFRICA 40 INDEX



- Our preferred setup from last week's SA40 Cash Index commentary has now been realised
- The index has closed above the downward trend line, suggestive of a bullish price reversal
- The price reversal is supported by the stochastic crossing out of oversold territory
- The white arrows highlight the long lower wicks on the candles around the 49700 support level
- This is suggestive of short term accumulation around these levels
- These are considered bullish indications and a move to 51470 is favoured
- Traders looking for long entry, might consider using a close below the low at 49250 as a stop loss/ failure level
- It should however be noted that on Tuesday, the cash index will adjust for a relatively large dividend (as noted below) and in turn we prefer widening the stop loss level to a close below 48930.

**Please note the South Africa 40 Cash Index will adjust for dividend on Tuesday the 18th of September at 16h50. The current dividend expected is 235 points.**



## 2. HIGHS & LOWS

### SHARES | 52 WEEK HIGHS

South32

### SHARES | 52 WEEK LOWS

Aspen Pharmacare

Coronation Fund Managers

Famous Brands

Grindrod

Growthpoint Properties

MTN Group

Zeder Investments

Wesizwe

Tongaat Hulett

Rhodes Food Group

Redefine Properties

Massmart Holdings

## 3. EQUITIES IN FOCUS

### Sappi Ltd

In our last note, it was highlighted that the share price of Sappi had been pulling back since making a new high at 10570, although the long term price trend for the share remained up. We were waiting for the price to close above the dotted trend line to initiate a long entry opportunity. The share price has now closed above the dotted trend line and in so doing has confirmed a price reversal (circled white) known as a bullish engulfing pattern. The reversal is accompanied by the Stochastic crossing out of oversold territory. A move to initial resistance at 10090 is favoured. Should the price manage to close above this level the short term high at 10570 becomes a further upside target. A close below 9060 is used as the failure level in this trade scenario (revised from 9170 previously).





## Old Mutual Limited

Since pulling back from a short term high, the share price of Old Mutual has formed a bullish price reversal (circled white) off the 2850 level. The price reversal is supported by the stochastic crossing out of oversold territory. A move to the high at 3150 is favoured from the reversal, while a close below the low at 2850 would consider the failure of the bullish assumptions.







## Richemont

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Since pulling back from a short term high, the share price of Richemont has formed a bullish price reversal (circled white) off the 12300 level. The price reversal is supported by the stochastic crossing out of oversold territory. A move to resistance at 12990 is favoured from the reversal, a break of which further favours a retest of the high at 13475. Should the price instead move to close below gap support at 12090 the bullish assumptions would be deemed to have failed.

