

## INTRA-WEEK UPDATE

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### MONDAY MARKET UPDATE:

The local and overseas stock markets have continued up as expected. There is resistance on the JSE All Share index at 28 800. Today, so far, the index is trading well off its highs and if it remains at current levels, will most likely sell-off for a few days.

2800-27 900 will be a reasonable level for a brief pullback, before heading higher again. At this stage, I believe there's a good chance the index will retest the April high of 29 565 (after the pullback).

I don't think the S&P500/Dow will get to their April highs though.

The overall strategy for traders therefore remains one of buying minor pullbacks. Very short-term traders can lock in partial profits on stocks (which should be showing good gains over the past two weeks). The portion sold can then be re-entered after a minor pullback.

**GOLD:** The gold price is setting up a retest of its recent low at \$1180 and is still on track for a good rally. I'd like to see a reversal up from that level or slightly lower. Short-term stop is a close below \$1174 (spot).

### UPDATE OF STOCK CHARTS FROM LAST WEEKS NEWSLETTER:

**ANGGOLD:** hasn't triggered the buy signal yet. Its pulling back to retest last week's low and a reversal day up from there can be bought (the aggressive entry signal). Alternatively, wait for a close above line 2 as per the newsletter.

**BATS:** gave a classic reversal day up on Thursday within a whisker of line 3 support (refer to chart in the newsletter). That was the trigger to buy. Keep holding if you bought. It is moving up steadily from there.

**MTN-GROUP:** has given neither a reversal day down to sell short on, nor a close below line 5 support (in the newsletter). Its main resistance level (line 2) is now at R119.70. It was tested today. The safest strategy is to wait for a close below line 5 (Line 5 is at R116.05 today and rising at an angle of R1.00 per day hereafter), to sell short. Even then, I would not recommend a large position at all.

Until Wednesday then,

Regards  
Colin

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