



MONTHLY PUBLICATION

# Equity Indexes Monthly

For further information or questions, please email: [mike.m@xatsuk.com](mailto:mike.m@xatsuk.com)

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# VIX - Monthly



**Pressuring support at 12.50/80. Oversold studies to limit any break. Consolidation to turn higher as longer-term studies improve.**

Prices continue to track lower, with the bearish Tension Indicator suggesting potential for a break below 12.80 towards the 12.50 low of April and congestion. Any deeper reactions, however, are expected to stabilise above further congestion around 12.00, as oversold studies begin to stabilise and longer-term background studies show further improvement. Base building is highlighted, with higher levels to attract in the coming months. A break above the 17.65 high of May will target congestion around 20.00, with a close above here opening up the 32.09 high of January. Further clearance will confirm a more sustainable rally towards the 33.15, (50%) retracement of the August-October fall and the 33.82 high of September.

# S&P500 - Monthly



Regaining higher levels. Focus on critical resistance at 2134~ but overbought studies to limit any immediate break. Sentiment remains cautious.

The bounce from the 1810/12 lows of January-February is extending, with prices now pushing above 2100 towards critical resistance at the 2134~ all time high from May 2015. Rising studies suggest potential for a test in the coming weeks, but any immediate break is expected to prove difficult to sustain as stochastics are now overbought and longer-term studies continue to weaken. Risk is for a pullback to develop, but a close below congestion around 2000 is needed to delay further gains and open up lows down to 1900.

**Monthly Investors can Upgrade to Neutral.**

# UK FTSE100 Index - Monthly



**Potential for a push higher, but mixed studies expected to limit scope. Strong resistance at 6500. Longer term studies continue to weaken.**

There has been no significant change, with prices balanced above 6000. A minor rally is highlighted from the rising stochastic, but any push above the 6427~ high of April is expected to find difficulty clearing congestion around the 6500 retracement, as longer term studies continue to weaken. In the coming months, downside risks are expected to increase as global equity sentiment weakens, with 6000 to attract. A break will signal a more cautious investor tone and open up lows down to 5499. A subsequent close beneath here will confirm extension of the April 2015 bear trend with the 5300, (50%) retracement of the 2009-2015 rally to then attract.

**Monthly Investors are Neutral.**

# Stoxx Europe 600 Index - Monthly



**Balanced beneath 351.50. Any immediate break to prove difficult to sustain as longer-term studies continue to weaken.**

There has been little change, with prices balanced in consolidation beneath the 351.51 high of April. The rising Tension Indicator suggests potential for a break towards the 355~ retracement, but any subsequent tests are expected to prove difficult to sustain, as sentiment remains cautious and longer term studies continue to weaken. In the coming months, lower levels are highlighted, as investors maintain a sell-into-strength strategy, with a break below congestion around 330 opening up lows down to further congestion around 325. Further slippage will signal a deeper reaction, turn sentiment bearish, and open up critical support at the 302.60 low of February.

**Monthly Investors are Neutral.**

# Germany DAX Index - Monthly

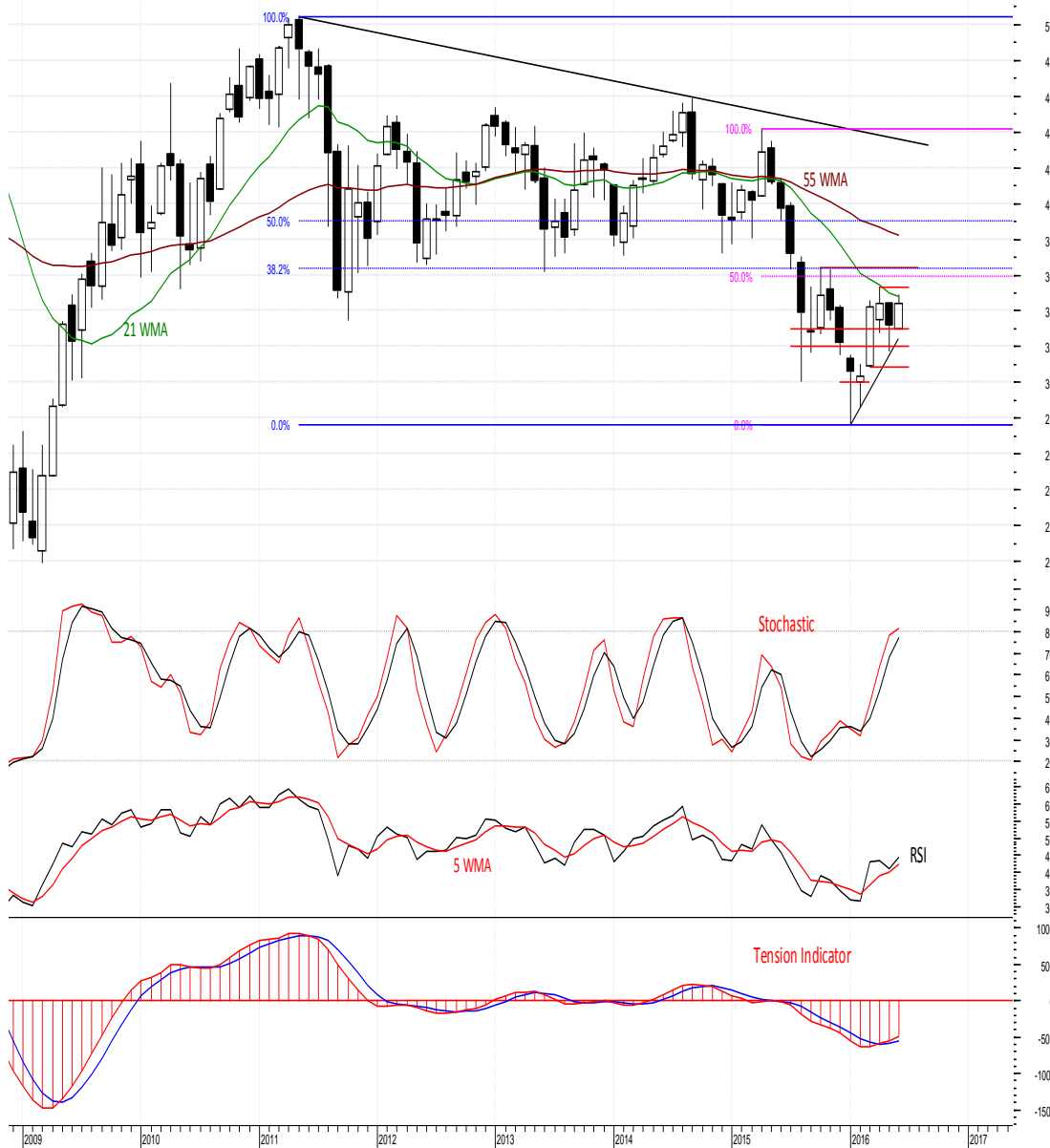


Edging higher. Any push above 10,474~ to prove difficult to sustain as longer-term studies continue to weaken.

The steep reactive rally from the 8700~ low of February is intact, with rising momentum and the bullish Tension Indicator suggesting scope for a test of the 10,474~ high of April and 10,545~ retracement. A break will turn investor sentiment bullish and open up congestion around 11,000, but tests could be limited in consolidation as longer-term studies continue to weaken. Support is down to 9500 and extends to the 9325 low of September 2015. In the coming months, risk is for a break of here, with focus then turning towards critical support at 8700~. A subsequent break will confirm continuation of the April 2015 bear trend.

**Monthly Investors are Neutral.**

# iShares Emerging Markets ETF (EEM) - Monthly



Regaining higher levels. Strong resistance at 36.00/45~ to provide a barrier as stochastics are already overbought. Support remains at 32.00.

The break down to 32.00 has not been sustained, with prices posting a strong bounce as both momentum studies and the Tension Indicator continue to strengthen. Focus is turning to the 35.34 high of April with a break opening up strong resistances at the 35.90 retracement and the 36.30/42 area. A further close above here would confirm extension of the January rally and turn sentiment positive, but with stochastics already overbought, any immediate tests could give way to consolidation, before a clear break is seen. Support is raised to congestion around 33.00 and extends to 32.00. A break would confirm extension of the April 2015 bear trend and open up the 30.89 low of March. Still lower is 30.00.

**Monthly Investors are Neutral.**



# Hong Kong Hang Seng Index - Monthly



**Test of 20,000 not sustained. Sharp bounce extending as studies continue to improve. Approaching critical resistance at 21,655~.**

The break below congestion around 20,000 has not been sustained, with support at 19,595~ prompting a sharp bounce. Investors are extending gains, as momentum studies and the bullish Tension Indicator continue to improve, with critical resistance at the 21,655~ high of April now approaching. A break above here will confirm extension of the February rally, turn investor sentiment bullish and open up congestion around 22,000 and the 22,200~ retracement. Further extension is expected to find difficulty sustaining tests of the 22,563~ high of December 2015, as background longer-term studies continue to weaken. Support is at 20,000 and should underpin any immediate setbacks. If broken, the 19,595~ low of May will then attract as investors turn cautious once again and the dominant bear trend from April 2015 gathers momentum.

**Monthly Investors are Neutral.**



# China Composite Index - Monthly



**Balanced beneath 3000. A close above 3097~ will target 3225 where bearish background studies could promote reactions.**

There has been still little change, with prices posting a bounce from congestion around 2800 to stabilise once again beneath the psychological 3000 level. Rising monthly studies continue to suggest scope for prices to extend the strong bounce from the 2638~lows of January-February, but global sentiment is waning, suggesting upside tests could prove difficult to sustain. Resistance is at the 3097~ high of April, but any break is expected to fade beneath the 3225, (23.6%) retracement of the June-January fall, as the dominant bear trend remains intact and longer-term studies show signs of further weakening. A close below 2780/00, however, will signal extension of the April bear trend, with deeper reactions then targeting 2638~ as investor sentiment turns cautious once again.

**Monthly Investors are Neutral.**