



QUARTERLY PUBLICATION

# Equity Indexes Quarterly

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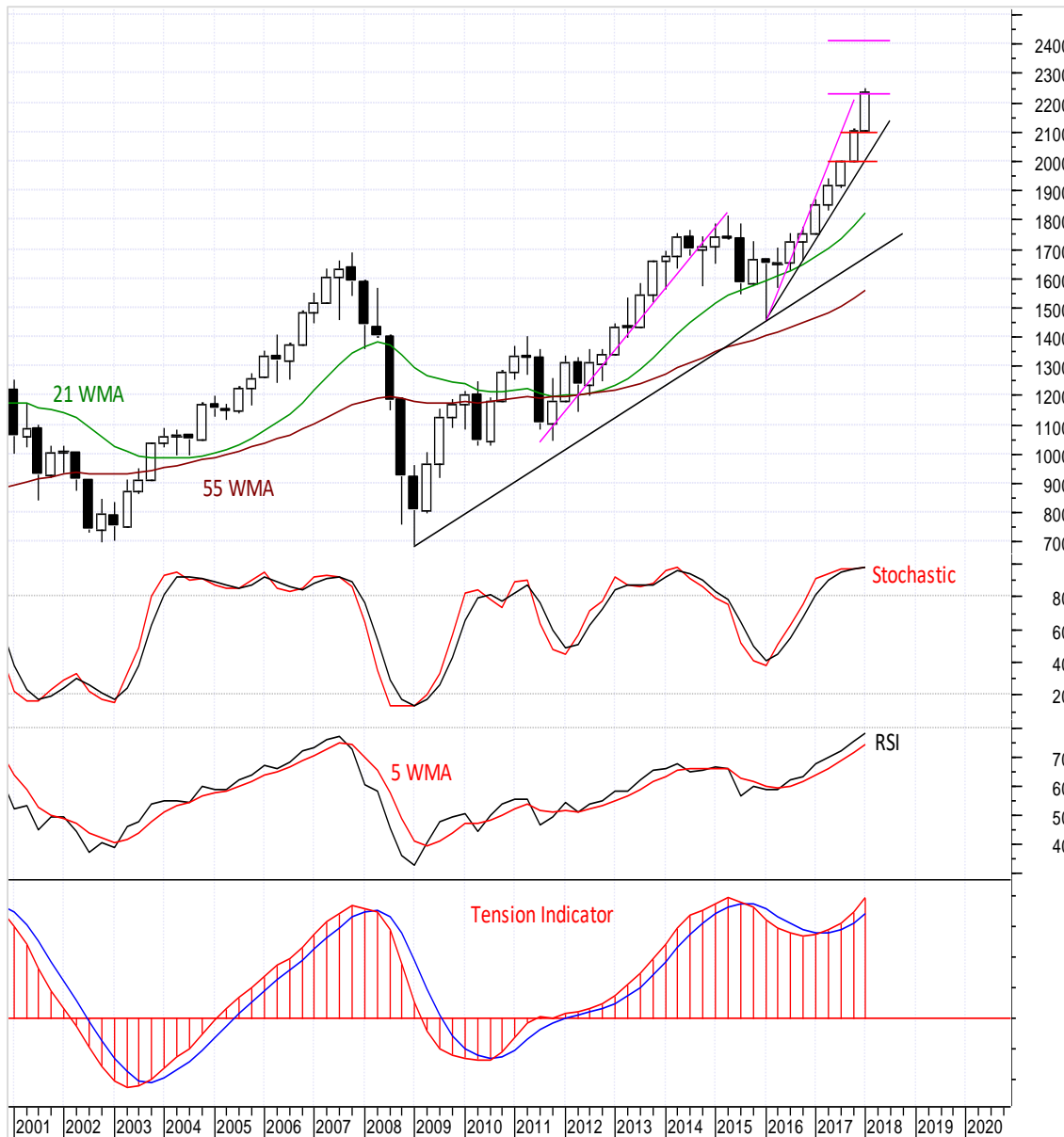
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# SYNOPSIS

- **Global Equity Markets remain positive**
- MSCI World Index and S&P500 SPX Index making fresh highs. But prices are pressuring against Fibonacci retracements and momentum is overstretched
- VIX showing signs of breaking higher in the coming months
- Highlights US markets could find higher levels progressively more difficult to maintain and increased risk of profit-taking and pullback
- Europe is mixed – UK FTSE100 under pressure, whilst German DAX is balanced at highs
- Asia generally positive – China and HK trading higher, but Japan coming under profit-taking pressure
- Australia at highs, but further gains likely to prove difficult to maintain

# MSCI World Index - Quarterly



**Bull trend from 2009 continues to extend.**

**Prices are accelerating higher as investor sentiment remains extremely bullish and studies continue to strengthen.**

**The 2230, (100%) Fibonacci projection of the 2011-2015 rally has been reached, but overbought stochastics are expected to make further gains progressively more difficult to maintain.**

**In the coming months, risk is for a corrective pullback to develop.**

**Support is at the 2100 break level, but a close below 2000 would turn investors cautious and prompt a Downgrade.**

**Failing this, however, investors will maintain a positive stance, and look for an extension to the 2415~, (123.6%) projection.**

# VIX - Quarterly



The test below the 9.39 year low of 2006 finding fresh support at 8.56.

Recent consolidation is showing signs of turning higher, as oversold momentum studies begin to unwind and the bearish Tension Indicator stabilises.

A close above the 17.28 year high of 2017 would improve price action, and open up further resistances at the 19.00, (23.6%) Fibonacci retracement of the 2015-2017 fall and psychological barrier at 20.00.

Clearance of this area would further improve price action, as the developing bull trend gains momentum, and open up the 25.65, (38.2%) retracement and the 27.50, (23.6%) retracement of the 2008-2017 fall.

Support is at 8.56 and is expected to underpin any immediate setbacks.

A close beneath here, however, would turn price action negative once again, and confirm continuation of the multi-year bear trend from 2008.

# S&P500 - Quarterly



**Bull trend from 2009 continues to extend.**

**Prices are accelerating higher as investor sentiment remains extremely bullish and studies continue to strengthen.**

**The 2870, (100%) Fibonacci projection of the 2011-2015 rally has been reached, but overbought stochastics are expected to make further gains progressively more difficult to maintain.**

**In the coming months, risk is for a corrective pullback to develop.**

**Support is at the 2016 trendline, currently around 2550, and extends to the 2500/20 break area.**

**A close beneath here would turn investor sentiment cautious, as risk of still deeper losses increases.**

**Failing this, however, investors will maintain a positive stance, and look for an extension to the 3000, psychological barrier.**

# UK FTSE100 Index - Quarterly



**Extending the bull trend from 2016.**

**However, strength is proving progressively more difficult to maintain, as overbought RSI readings turn down and negative divergence unwinds on the falling stochastic.**

**Still further gains cannot be ruled out, but psychological resistance at 8000 should provide a barrier into any immediate tests.**

**In the coming months, downside risks are expected to increase, as bullish investor sentiment fades.**

**A close below 7500 will add fresh weight to prices, and open up the 7100/20~ break level.**

**Further slippage beneath 7000, however, will confirm a multi-month bear trend, with investors then moving to an outright negative stance.**

# Euro Stoxx 50 Index - Quarterly



**Bull trend from 2016 intact.**

**However, the break above 3500 giving way to consolidation around 3600, as overbought stochastics begin to flatten.**

**Rising studies are helping to keep investor sentiment positive, but a close above the 3836~ year high of 2015 is needed to confirm continuation of the broader rally from October 2009.**

**Support is at 3363~ and needed to underpin any immediate setbacks to keep higher levels in focus.**

**A close beneath here would add weight to investor sentiment and signal a trend change as prices correct the 2016 rally.**

# Germany DAX Index - Quarterly



**Bull trend from 2016 intact, with prices currently pressuring the 13,300, (61.8%) Fibonacci projection of the 2011-2015 rally.**

**Rising momentum studies and the positive Tension Indicator are helping to keep investor sentiment positive.**

**A close above here would open up the 14,000 barrier, with potential for extension towards the 14,370, (76.4%) retracement.**

**However, any tests into this area are expected to prove difficult to sustain, as momentum studies are already overbought.**

**Risk is increasing for a corrective pullback towards 11,868.**

**A close beneath here would add downside pressure to investor sentiment and turn investor sentiment more cautious.**

**A multi-month bear trend would then be signalled, as prices correct the 2016 rally.**



# Japan Nikkei225 Index (N225) - Quarterly



**Bull trend from 2009 continues to extend.**

**Gains, however, are proving difficult to sustain, as overbought stochastics begin to unwind.**

**The break above the 23,000, (50%) Fibonacci retracement of the 1989-2009 fall is being pushed back from the 23,901~ year high of 1992.**

**Risk is increasing for a corrective pullback to target the 2016 trendline, currently around 21,350.**

**A close beneath here will signal a potential trend change, add fresh downside pressure to price action and prompt investors to adopt a Neutral stance.**

**Downside risks will be delayed above 23,901.**

**However, further selling pressure highlighted at the 24,650, (76.4%) projection of the 2011-2015 rally and psychological barrier at 25,000.**

# Hong Kong Hang Seng Index - Quarterly



**Bull trend from 2016 intact, with prices accelerating to historic highs in strong buying interest.**

**The 32,500~ (100%) Fibonacci projection of the 2008-2015 rally has been reached, and expectations are for still further gains as momentum studies and the Tension Indicator continue to strengthen.**

**Next significant resistances are at the 35,000 psychological barrier and the 35,800, (123.6%) projection.**

**Initial tests of this area could give way to consolidation, however, as stochastics become overstretched.**

**Support is at the 30,000 break level, and needs to underpin any immediate tests to keep higher levels in focus.**

**A break, however, will turn investors cautious, with subsequent focus then turning to the 2016 trendline, currently around 27,000.**

**A further close beneath here will confirm a multi-month bear trend as investors move to a Negative stance.**

# China Composite Index - Quarterly



**Bull trend from 2635/40 year lows of 2016 extending.**

**Steady gains are now pressuring the 3600, (38.2%) Fibonacci retracement of the steep 2015-2016 fall.**

**Rising momentum studies and a fresh positive signal on the Tension Indicator suggest still further gains in the coming months.**

**A close above here will further improve investor sentiment, as the 3900, (50%) retracement and psychological barrier at 4000, then attracts.**

**Support is at the 2016 trendline, currently around 3250.**

**This needs to underpin any immediate setbacks to keep the current rally intact.**

**If broken, however, subsequent focus will turn to congestion around 3000 as investors move to a cautious stance.**

**A further close beneath here will add extra weight to price action, and confirm a multi month bear trend.**

# Australia All Ordinaries Index (AORD) - Quarterly



Prices extending gains from the 4760~ year low of 2016.

Focus is now on the 6400, (76.4%) Fibonacci projection of the 2011-2015 rally and psychological barrier at 6500.

Any immediate tests of this area are expected to prove difficult to sustain, however, as negative divergence develops on overbought stochastics.

In the coming months, risk is for a corrective pullback to develop towards 6000 and the 5960/65 year high of 2015.

A close beneath here would add fresh downside pressure, as investors move to a Neutral stance.

Further slippage below the 5635~ year low of 2017 would confirm a deeper reaction as prices correct the 2016 rally.

Failing this, however, investors will maintain a positive stance, and look for a break above 6400/6500 towards the 6870 contract high of 2007.