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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:

Last Price	: 38,654.43	
Resistance	: 38,783 (R1)	40,273 (R2)
Support	: 38,056 (S1)	37,460 (S2)
Weekly view	Neutral to Downward Bias	

Dow Jones Industrial Average (DJIA) (Neutral to Downward Bias)

- Major stock indexes experienced a dip last Wednesday after the US Federal Reserve meeting, which tempered expectations for a rate cut in March. However, markets recovered to post gains for the week, buoyed by Federal Reserve Chair Jerome Powell's dovish remarks on economic growth and labour markets. The S&P 500, DJIA, and NASDAQ all saw over 1% weekly gains. Meanwhile, the US 10-year Treasury bond yield fluctuated, dropping to 3.82% on Thursday, then rising to 4.03% after a strong jobs report on Friday, hinting at delayed rate cuts. Oil prices also dropped over 7% due to concerns over crude demand and rate cut expectations.
- The stock market's rally seems set to continue its upward trajectory, with significant gains particularly noted in AI-related sectors. However, the limited market breadth observed last week coupled with rising treasury yield indicates that a potential slowdown might be on the horizon, especially in the absence of major economic data and extensive corporate earnings announcements this week. Noteworthy S&P 500 companies like Caterpillar, McDonald's, Ford Motor, PayPal, Philip Morris International, and PepsiCo are among the few set to release their earnings this week, which could offer some market movements.
- The DJIA's ongoing weekly uptrend remains strong, securely above its resistance-turned-support level of 38,056, which aligns with its 50% Fibonacci extension. However, a pullback might be on the horizon due to the upcoming week's scarcity of significant economic data and corporate earnings releases as well as rising bond yield. If a pullback does occur, the index is anticipated to find support at 37,460, its 5-week Simple Moving Average (SMA).
- Key resistance levels are at a recent high of 38,783 and then 40,273, with immediate support at 38,056 and additional support at 37,460, near the 5-week SMA.

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