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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:	
Last Price	: 38,714.78
Resistance	: 39,282 (R1) 40,257 (R2)
Support	: 38,467 (S1) 38,045 (S2)
Weekly view	Neutral to Downward Bias

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

- The major US stock indexes experienced their third consecutive weekly drop, despite the robust gain on Tuesday, which was negated by subsequent declines. This minor pullback contrasts sharply with the prior four-month period of strong performance, where the DJIA recorded gains in 15 out of 20 weeks. Meanwhile, US government bond yields increased, influenced by the latest inflation figures altering rate expectations. Specifically, the yield on the 10-year US Treasury bond, which had fallen to 4.08%, climbed to 4.31% by the end of the week.
- This week, market movement is likely to be influenced by two key events: NVIDIA's 4-day GPU technology conference starting Monday and the two-day FOMC meeting beginning March 19. NVIDIA's event could bolster bullish sentiment in the semiconductor sector. However, optimism for rate cuts has waned, as evidenced by rising yields. Market predictions, based on Fed funds futures trading, lean towards the Fed keeping rates steady this round, with a shift to rate cutting anticipated around June or July.
- Technically-speaking, the DJIA's weekly chart has retraced near to its key short-term (5-week) SMA line following a mild 0.02% WoW drop to 38,714.78 last week. Despite the long-term uptrend staying intact, short-term pullbacks may continue. This outlook is reinforced by the RSI indicator's reversal from overbought conditions and its descent below the 14-week SMA line. Additionally, the MCDX's banker chip reduction signals a softening in market buying interest, collectively pointing to a possible trend reversal ahead.
- In short, we expect higher volatility this week with significant focus on the NVIDIA conference. Key resistance levels are identified at recent peaks of 39,282 and 40,257 next. If the market fails to maintain above the 5-week SMA support at 38,467, it may retreat to test the 38,045 level, aligning with the 50% Fibonacci extension.

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