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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:

Last Price	: 39,475.91	
Resistance	: 40,000 (R1)	40,257 (R2)
Support	: 38,669 (S1)	38,045 (S2)
Weekly view	Upward Bias	

Dow Jones Industrial Average (DJIA) (Upward Bias)

- The US stock market surged last week, buoyed by the Federal Reserve's dovish stance and positive developments in AI. Major indexes hit new records: Nasdaq Composite was up by 2.85%, S&P 500 by 2.3%, and DJIA by 2%. The Fed reiterated its expectation to have three rate cuts for 2024, boosting sentiment. Events from NVIDIA and Microsoft on AI, along with Micron Technology's unexpected profit and optimistic outlook due to AI, added to the rally. The market was also uplifted by the belief that borrowing costs are stabilizing, with expectations of policy shifts from other central banks.
- This week, investors are eyeing the personal consumption expenditures price index due this Friday, expecting a lower February figure, hinting at possible upcoming Fed rate cuts. This softer inflation indicator, combined with the Fed's dovish stance, may prompt investors to diversify their portfolios beyond the growth and technology stocks that have driven the market's recent rally.
- Technically speaking, the DJIA has resumed its uptrend after a brief consolidation period, consistently staying above its 5-week SMA. This resilience, coupled with positive signals from the MCDX's banker chip and an ascending RSI indicator—despite it re-entering overbought territory—points towards possible renewed investor interest. The upward momentum of the DJIA looks set to continue as long as it remains above this short-term SMA threshold.
- All in, we anticipate the market to continue its upward trajectory this week, albeit at a slower pace compared to the previous one. Resistance is eyed first at the psychological mark of 40,000 and then at 40,257. A fall back below the 5-week SMA of 38,669 could lead to a retreat towards the 38,045 mark, which matches the 50% Fibonacci extension level.

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