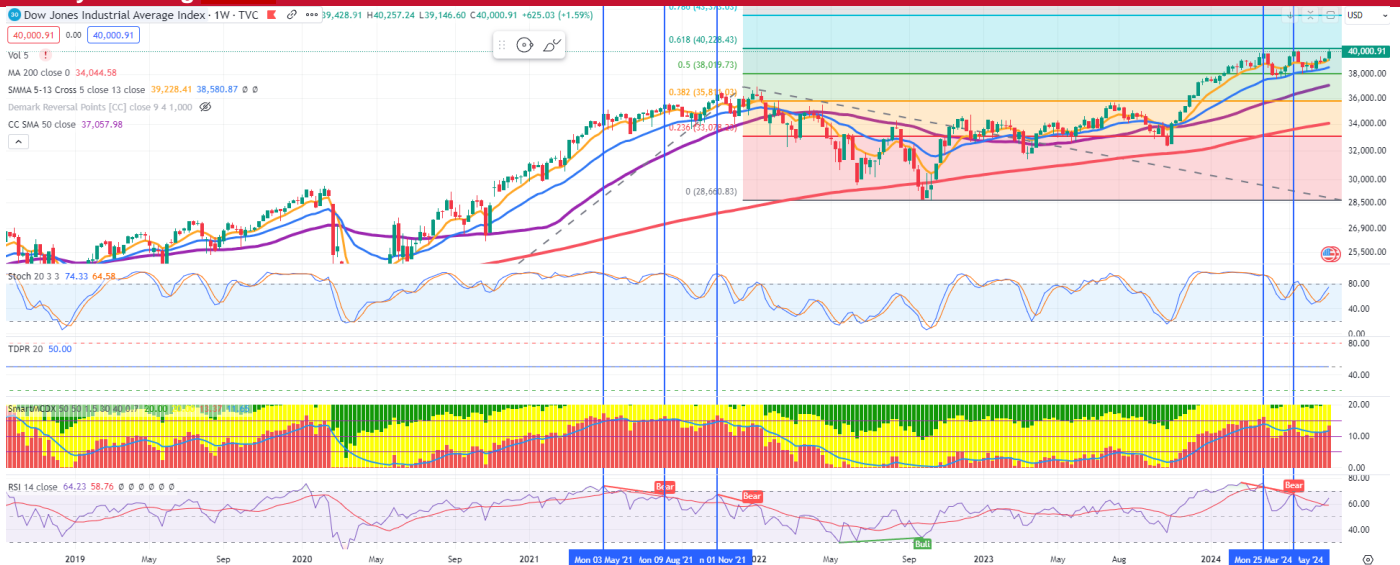


15 July 2024

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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: *TradingView*

Key Support & Resistance Levels:	
Last Price	: 40,000.91
Resistance	: 40,077 (R1) 40,228 (R2)
Support	: 39,228 (S1) 38,580 (S2)
Weekly view	: Slight bullish with cautious stance on tech persists

Dow Jones Industrial Average (DJIA)

- The DJIA rose 1.6%, outperforming the S&P 500 and NASDAQ, and closed at 40,000.91, just 3 points shy of its record high. A better-than-expected inflation report on Thursday, showing a 0.1% drop in the Consumer Price Index from May to June and annual inflation falling to 3.0%, lifted hopes for potential interest rate cuts. As earnings season began, mixed results from three major banks were reported, with analysts forecasting an 8.9% YoY earnings increase for the S&P 500 in Q2, the highest growth in over two years, according to FactSet.
- Looking ahead, investors' confidence in a September rate cut has reignited optimism, but we believe some mean reversion in tech may be needed. Earnings reports from ASML, TSM, and NFLX this week could either boost the tech sector or trigger a "sell on the news" reaction due to recent run-ups. If ASML and TSM deliver upside surprises, it could drive the AI/chip trade to fresh highs, or conversely, disappointments could result in declines.
- Technically, the DJIA has firmly held above its 5-week SMA and closed above the 40,000 psychological resistance level last Friday, indicating a potential continuation of the bullish trend. The weekly Stochastic Oscillator and RSI are at 74.33 and 64.23, respectively, suggesting room for further upward movement. However, it's important to note the potential for bearish divergence, which may indicate a forthcoming reversal or trend shift towards a bearish direction.
- In short, we anticipate a marginal continuation of the bullish trend this week, but our cautious stance on tech persists. The index faces immediate resistances at its all-time high of 40,077, followed by 40,228. On the support side, key levels are at the 5-week SMA at 39,228 and the crucial 13-week SMA at 38,580.

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