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**Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)**

**Weekly Charting – DJIA**



Source: *TradingView*

Key Support & Resistance Levels:	
Last Price	: 40,287.54
Resistance	: 40,312(R1)      41,376(R2)
Support	: 39,440 (S1)      38,712 (S2)
Weekly view	Downward bias with cautious stance on tech persisting

**Dow Jones Industrial Average (DJIA)**

- The NASDAQ fell nearly 3.7%, ending a six-week streak of gains as several mega-cap tech stocks declined for the second consecutive week. The S&P 500 saw a smaller decline of around 2%, while the DJIA gained nearly 0.7%. Amid choppy trading, the Cboe Volatility Index (VIX) rose 32% to 16.5, its highest level since April, reflecting increased investor expectations for short-term volatility. Quarterly earnings season saw improved projections, with analysts now expecting a 9.7% YoY increase in S&P 500 company earnings for 2Q, up from 9.1% the previous week.
- Moving forward, as earnings season goes into full swing, corporate earnings and key economic reports, including Thursday's initial 2Q GDP and Friday's PCE prices, will be the main focus for investors this week. Notable earnings reports include Tesla and Alphabet on Tuesday, kicking off results from the 'Magnificent Seven' mega-cap stocks. Additionally, the direction of the 'Trump trade' post Biden's exit from the presidential race and its impact on Fed policy, coupled with potential aftershocks from the recent global cyber outage caused by CrowdStrike's routine update, are expected to influence market sentiment.
- Technically, the weekly DJIA has formed a shooting star candlestick pattern, suggesting a potential market decline in the coming weeks. Additionally, the weekly Stochastic Oscillator and RSI indicators have shown bearish divergence, indicating a possible trend reversal on the horizon.
- In short, we expect the recent volatility to remain elevated with a downward bias, maintain a cautious stance on tech. The index faces immediate resistances at 40,312 followed by its recent high of 41,376. On the support side, key levels are at the 5-week SMA at 39,440 and the crucial 13-week SMA at 38,712.

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