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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:	
Last Price	: 42,801.72
Resistance	: 43,015(R1) 43,610(R2)
Support	: 41,911 (R1) 41,463(R2)
Weekly view	: Heightened volatility with downward bias

Dow Jones Industrial Average (DJIA)

- U.S. stocks extended their decline, with the S&P 500 (-3.1%) posting its steepest drop since last September, the Dow falling 2.3% and the NASDAQ (-3.4%) entering correction territory, down over 10% from recent highs amidst a tech sell-off. Trade tensions weighed on sentiment, as the U.S. imposed 25% tariffs on most Canadian and Mexican goods and raised duties on Chinese imports, prompting retaliation and a temporary easing of some Canadian and Mexican tariffs, including those goods under USMCA. February’s job growth of 151,000 missed expectations despite a modest improvement from the prior month, reinforcing concerns over softening labour market and slowing economic growth. Additionally, the U.S. dollar saw its sharpest weekly decline (-2.4%) since November 2022, reflecting uncertainty over trade policies and the economic outlook.
- Looking ahead, the market will focus on Wednesday’s CPI report to assess whether hotter-than-expected inflation continued in February, following January’s 3.3% core CPI increase, would influence the Fed’s policy time-line. Investor sentiment is expected to remain cautious amidst moderating labour market, shifting trade policies, stagflation fears and a potential government shutdown. On Friday, Fed Chair Jerome Powell reaffirmed a cautious approach to rate cuts, emphasising the need to evaluate the long-term impact of tariffs on inflation, with rates expected to hold at 4.25%-4.50% at the March 18-19 meeting. Until then, volatility is likely to persist, particularly if inflation data reinforces a more hawkish stance. Meanwhile, investors are also watching President Trump’s meeting with tech leaders this week, for more clarity on tariffs and export restrictions.
- Technically, the DJIA closed below its 5-week and 13-week SMA, signalling weakening short-term momentum, though the long-term uptrend remains intact. The divergence in the stochastic and RSI indicators also suggests that the current consolidation or pullback will likely to persist over the short-to-medium term.
- In short, we expect the market to consolidate with a downward bias amidst elevated volatility this week. Key support levels are at 41,911 (200-day SMA) and 41.463 (50-week SMA), while resistance levels are at 43,015 (13-week SMA) and 43,610 (5-week SMA).

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