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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:	
Last Price	: 41,985.35
Resistance	: 42,042(R1) 42,827(R2)
Support	: 41,558 (S1) 41,206(S2)
Weekly view	: Consolidation with downward bias

Dow Jones Industrial Average (DJIA)

- U.S. stocks ended slightly higher last week, with the S&P 500 up 0.5%, snapping a four-week losing streak. However, tech remained under pressure (-9%YTD), as NVIDIA fell 4% post GTC, offering no meaningful catalyst despite bullish commentary from its CEO. Fading optimism from the recently passed funding bill and ongoing tech weakness drove a rotation into defensives like Utilities and Energy. Sentiment was further dampened by tariff concerns, macro headwinds, and competition from China’s DeepSeek. The Fed held rates steady at 4.25%-4.50%, kept its projection for two cuts this year, but downgraded growth forecasts and raised inflation expectations. Fed Chair Powell’s dovish tone, calling tariff-related inflation as “transitory,” briefly lifted markets mid-week before gains faded. Meanwhile, disappointing retail sales and record gold prices of USD3,057 per ounce highlighted lingering economic uncertainty.
- Looking ahead, the market will focus on key economic data including Thursday’s GDP and Friday’s PCE price index, the Fed’s preferred inflation gauge, to gain insights into consumer strength and potential inflationary impact from recent trade policies. Tariff uncertainty is expected to remain elevated ahead of Trump’s planned reciprocal tariffs on April 2, while ongoing weakness in DJIA and small-cap indices reflects rising concerns over slowing growth. Meanwhile, escalating geopolitical tensions following the breakdown of the Gaza ceasefire and renewed Israeli airstrikes have heightened global uncertainty and are likely to weigh on sentiment in the near to medium term, keeping defensives in favour.
- Technically, the DJIA rebounded to approach its 50-week SMA following a recent dip below this critical support level, last seen in late October 2024. However, the rebound appears unconvincing, suggesting that the current technical rebound could be short-lived as key weekly indicators, including the Stochastic and RSI, have yet to show clear reversal signals. On the daily chart, the index continues to face resistance at the key 200-day SMA, indicating weakening bullish momentum. Unless the index decisively reclaims the 200-day SMA, it is likely to remain in a consolidation phase or face further potential pullback.
- In summary, we expect the market to consolidate with a downward bias this week. However, sentiment could improve if inflation data comes in lower than expected or if trade tensions de-escalate. Key support levels are identified at 41,558 (50-week SMA) and 41,206 (23.6% Fibonacci retracement), while resistance levels are situated at 42,042 (200-day SMA) and 42,827 (13-week SMA).

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