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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: [TradingView](https://www.tradingview.com)

| Key Support & Resistance Levels: | |
|----------------------------------|--------------------------------|
| Last Price | : 49,447.43 |
| Resistance | : 49,717 (R1) 50,000 (R2) |
| Support | : 48,215 (S1) 47,517 (S2) |
| Weekly view | : Volatile with downward bias |

Dow Jones Industrial Average (DJIA)

- U.S. equities extended their rally for a third consecutive week, with the S&P 500 (+4.5%) and NASDAQ (+6.8%) climbing to record highs, while the DJIA gained 3.2%. The rally marked a continued V-shaped recovery, supported by easing Middle East tensions and the reopening of the Strait of Hormuz, which pushed oil prices down to around USD83 per barrel from recent highs near USD113. Lower energy prices helped ease inflation concerns, reinforced by softer-than-expected March PPI data and declining Treasury yields, with the 10-year yield falling to 4.24%. Meanwhile, the earnings season kicked off positively, as major U.S. banks reported stronger-than-expected results driven by higher trading revenue. This lifted financial sector earnings growth expectations to 19.7% for 1QCY26, up from earlier forecasts of 15.1%, according to FactSet.
- Looking ahead, despite the strong rebound from late-March lows, markets appear increasingly overextended, raising the risk of near-term consolidation or a pullback. Investor focus is shifting toward the U.S. earnings season, which is expected to deliver solid growth and support sentiment. However, gains may have run ahead of fundamentals, increasing the likelihood of profit-taking or “sell-on-news” reactions, with Tesla set to report on Wednesday. Elevated oil prices and lingering geopolitical risks continue to pose upside risks to inflation, potentially limiting expectations for rate cuts and weighing on valuations. Notably, renewed disruptions in the Strait of Hormuz over the weekend, along with signs of a fragile ceasefire, have reintroduced uncertainty around global energy supply and potential escalation. Overall, stretched valuations and ongoing uncertainty are likely to cap further upside, keeping markets volatile and range-bound in the near term.
- Technically, while the DJIA closed firmly above all key short- and long-term SMAs, reinforcing the broader uptrend, the daily setup looks near-term overbought, with stochastic at 94 and RSI at 68. As such, near-term upside may be capped near resistance around 49,500–50,000, with scope for consolidation or a mild pullback, especially if geopolitical headlines turn less favourable.
- In short, we expect the market to remain volatile with downward bias this week. Key support levels are at 48,215 (100-day SMA) and 47,517 (13-week SMA), while resistance levels are at 49,717 (intra-week high) and 50,000.

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