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Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:			
Last Price	:	51,291.14	
Resistance	:	51,587 (R1)	51,899 (R2)
Support	:	50,442 (S1)	50,291 (S2)
Weekly view	:	Choppy with a downward bias	

Dow Jones Industrial Average (DJIA)

- U.S. equities had a volatile and broadly weaker week, with the NASDAQ falling 3.4%, the S&P 500 down 2.7% and the DJIA easing 0.9%, amid post-midterm uncertainty and renewed concerns over AI-related valuations and earnings. The NASDAQ's 5.5% plunge on Thursday pushed it into correction territory, while the Magnificent Seven lost more than USD1trn in market capitalization during the session. Meanwhile, Treasury yields continued to ease, with the 10-year yield falling for a fifth consecutive week to 4.86%, while WTI crude dropped about 12% WoW to around USD90.50/bbl. Despite lower yields and oil prices, risk aversion remained elevated, with the VIX surging 32% WoW to 25.6, highlighting persistent investor concerns over the sustainability of AI-led earnings growth and elevated equity valuations.
- Looking ahead, we expect U.S. equities to remain volatile with a bearish bias next week, as recent technical damage and continued rotation out of Technology into more defensive sectors point to a persistent risk-off environment. With the VIX above 20, elevated volatility is likely to persist, although softer Treasury yields, energy and commodity prices could provide some support. Technology has also become increasingly oversold, raising the possibility of a near-term countertrend rebound, particularly if market breadth improves and leadership rotates back towards growth stocks. On the macro front, resilient economic activity, sticky inflation and a stable labour market may reduce the urgency for aggressive Fed easing, keeping attention firmly on the upcoming CPI and PPI releases for further clues on the rate outlook.
- Technically, the DJIA's near-term setup has weakened further, with the index slipping below its short-term moving averages and testing the lower boundary of its rising trend channel. The index is now hovering just above the 50,442 (23.6% Fibonacci retracement) support, which remains an important near-term floor. Momentum indicators continue to soften, with both the weekly Stochastic and RSI trending lower, suggesting that selling pressure has yet to fully abate.
- In short, we expect the DJIA to trade with a choppy-to-downward bias, although a technical rebound could emerge from the 50,400–50,500 support area. A sustained recovery above 52,000–52,500 would be needed to improve the near-term setup, while a decisive break below 50,442 could expose the index to the 49,000–50,000 region. Immediate resistance levels are seen at 51,587 (13-week SMA) and 51,899 (5-week SMA), while support levels are at 50,442 and 50,291 (50-week SMA).

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