Dax Outlook Week 14

The Dax celebrated a strong recovery from last week's losses on Monday and peaked on Tuesday not being able to sustain levels above 7100. My prognosis of a rise at the start of the week and the gradually giving up gains was therefore not too bad but the losses were truly underestimated(green line). The Dax finished the week at 6946 around 1% lower that the start of the week.

The VDAX rose briefly above 20 but finished the week nearly unchanged around 18.81, RSI is still neutral and the MACD continues to be bearish.

In the coming week 14 my preferred scenario (70%)for the DAX in red is a very brief jump on Monday but giving up the gains intraday and then pointing lower toward 6800 midweek, finding support on the moving average and the Gann fan there, and then closing the week around 6950 points.

My second scenario (30%) in blue would be to make up a bit of last weeks losses by recovering to 7000 or even 7050 and the closing the week around 6950.

Finally news on the development of the overall world economy don't sound too promising and might offset the effects of QE in the medium term.

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