Dax Outlook Week 19

Despite the bank holiday on 1st of May, the Dax moved more than 300 points last week undershooting my prognosis(turquoise). It went through the 6’600 and hit the top of the previous downtrend at 6’546 before recovering slightly. Most likely investors were taking profits before the Greek Parliamentary Elections on sunday where anti-bailout-parties are expected to gain votes. Also French Elections the same day will add to the uncertainty in Europe.

The VDAX rose to 24.64, RSI stayed neutral and the MACD turned back to bearish.

In the coming week 19 my preferred scenario (orange) is a little bit up to around 6’700 before we correct down to 6’480 which hasn’t been finished last week. The 6’600 was broken last week and we have moved through most MAs and EMAs indicating further downside. I also wouldn’t expect any real bullish news form the elections on sunday.

Only a close above 6’830 could paint the Dax’s picture more optimistic otherwise there is some potential of reaching the 6’200 within the next 2 weeks.

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