

Dax Outlook Week 37

In week 36 the Dax managed to break out above the 7'000 after 2 tries in the last couple of days. Expectations of more quantitative easing from the ECB and FED fueled the rally.

The VDax plummeted to 17.60, the MACD just turned bullish and the RSI is still neutral in the upper region.

Currently the Dax is approaching the upper region of its upward channel that started in June. Around 7'350 would be the upper limit of the channel. Although we had higher volume on the upmove on Thursday and Friday the Dax did not manage to sustain Friday's high of 7'248 and closed the week at 7'214. There could be room up to 7'350 but I guess 7'300 will rather be the ceiling in the coming week. A lot will depend on the German High Court's approval or non-approval of the European Stability Mechanism. So there will be an interesting week ahead.

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