Dax Outlook Week 38

In week 37 the Dax slightly overshot the upper band of the channel twice. The decision of the German High Court for the go ahead of the ESM gave the market some positive momentum. The Dax closed the week at 7’412 together with a much stronger Euro against the Dollar.

The VDax eased to 17.05, the MACD increased its bullishness and the RSI is now slightly oversold.

As an outlook, I would not expect the Dax to break out of its current upward channel. Although the approval of the ESM is a short-term good sign for the stock market, the debt problems still persist. Taking that into account my preferred scenario for week 38 is a slight correction of this upmove to levels around 7’300.

Disclaimer

Â