

Dax Outlook Week 40

In week 39 the Dax first fought with the 10-day moving average but lost on the third day and dropped 3 consecutive days closing the week at 7'216.

The VDax rose to 18.40, the MACD moved well into bearish and the RSI came back to neutral.

The euphoria of QE3 has worn off which led to the decent drop in the Dax. Also headlines about the economic slowdown in China (only 7% growth expected) and Germany led to a sell-off.

Currently I could see the Dax opening a bit higher on Monday and maybe even recover a bit more as a counterreaction to the recent drop. Overall it will be important to see if the 7'195 level holds and we are able to continue the uptrend. I would think that a lot of market players will be trying to keep it intact.

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