

# Dax Outlook Week 49

*The band continued to play on, even as the bow dipped lower and lower.*

Week 48 really started strong and later on when Central Banks announced their combined effort to fight the crisis by bringing down swap rates led to even further gains. Despite mixed economic data this led to a substantial rise this week. So last week's bearish outlook did not come true. The Dax reached 6080 by the end of the week just closing around the 61.8% Fibonacci Level (orange).

The VDAX dropped from around 36 at the start of the week to 30 now, MACD is turned positive and RSI is in neutral territory.

For the coming week 49 I would expect the euphoria to settle down a bit and the Dax trading sideways or decreasing slightly. To me it feels a bit like on 27.10.11 when the dax shot up above the moving averages and then dropped sharply. To me still the risk of a quick drop to 5715 persists and slightly down or sideways is my favoured scenario. On the other hand we would still have potential to move up to the high on 27.10.11 of around 6400.

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