

Dax Outlook Week 28

In week 27 the Dax heavily overshot my last prediction. It reached the 6'490 already on Monday and then marked a high of 6'641 on Thursday.

The VDax stayed around 21.82, the MACD is still bullish and the RSI is neutral in the upper region.

Last week the upmove was fuelled by Europe's decision to loosen credit requirements for Spain and Italy and also a cut of interest rates by the ECB and Chinese Central Bank. The Bulls were trying to push through 6'600 and managed to do so but due profit taking the Dax could not sustain levels above 6'600. It found support near its short-term moving averages.

For the coming week 28 I would expect the Dax to fall back further. Around 6'350 would be my target and then trying a second attempt moving close to 6'500. I do not see any really good or bad news coming this week, so I would see the index whipsawing around its moving averages.

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