

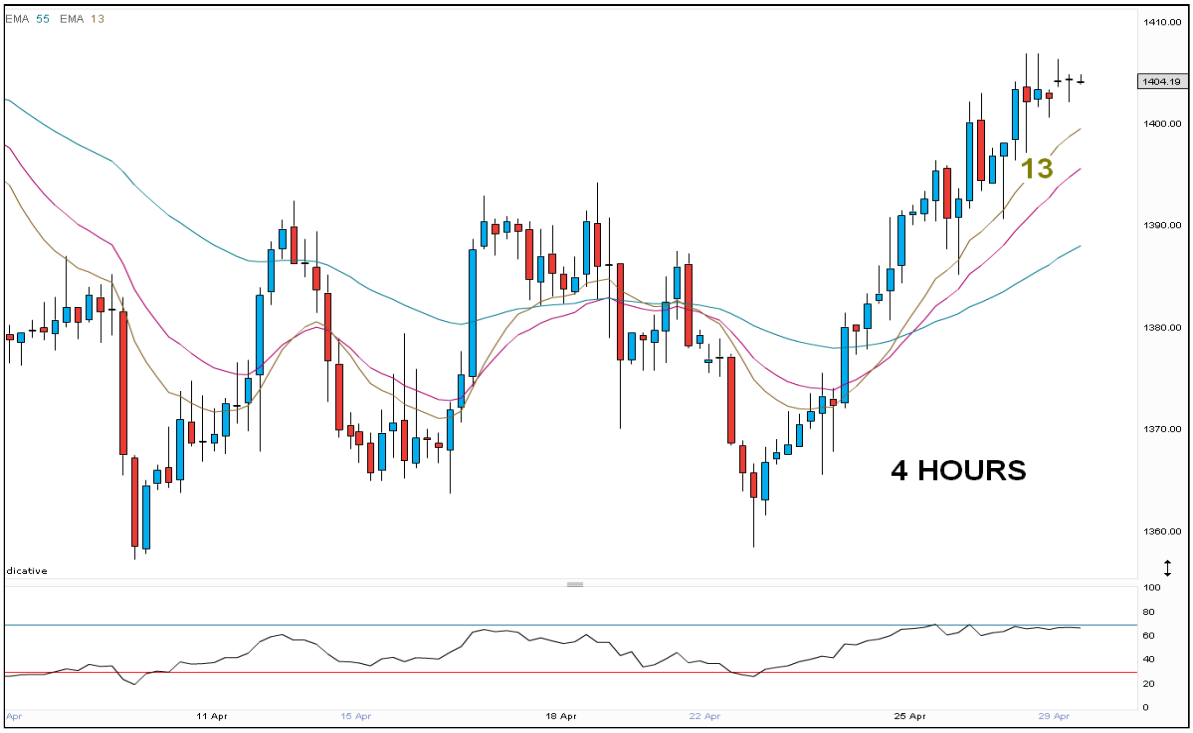
Monday, 30 April 2012

The bull market is back on. The recent correction has run its course and the indices are now poised to enjoy further gains, in my view. The cycle on Wall Street is now firmly in upwards mode and there is plenty of scope for more here. Sentiment among ordinary investors is at fairly depressed levels, with only 27.6% bulls vs 37.4% bears in last week's AAII survey. This is, of course, a bullish omen.

Having caught a nice little move upwards in the Nasdaq 100 on Friday afternoon, I am looking for further long positions in the US indices today. I am still less enthusiastic about the European markets, especially the FTSE 100.

Dominic Picarda CFA, CMT

S&P 500



IG Index chart

The S&P is well on the way to regaining its highs of **1425** and then above. The present rally is the real deal, strong and thrusting. Granted, the index is almost overbought on its fourhourly chart, but this can be resolved through a fairly mild pullback, in my view. The larger move up has quite some way to go in my view. The cycle is now turning in Wall Street's favour too.

A bounce off the 13-fourhourly EMA (1399.6) would do me for getting long.

SUPPORT	RESISTANCE
1381.52	1448.05
1368.40	1441.11
1358.98	1425.07
1353.73	1410.15

DOW JONES



IG Index chart

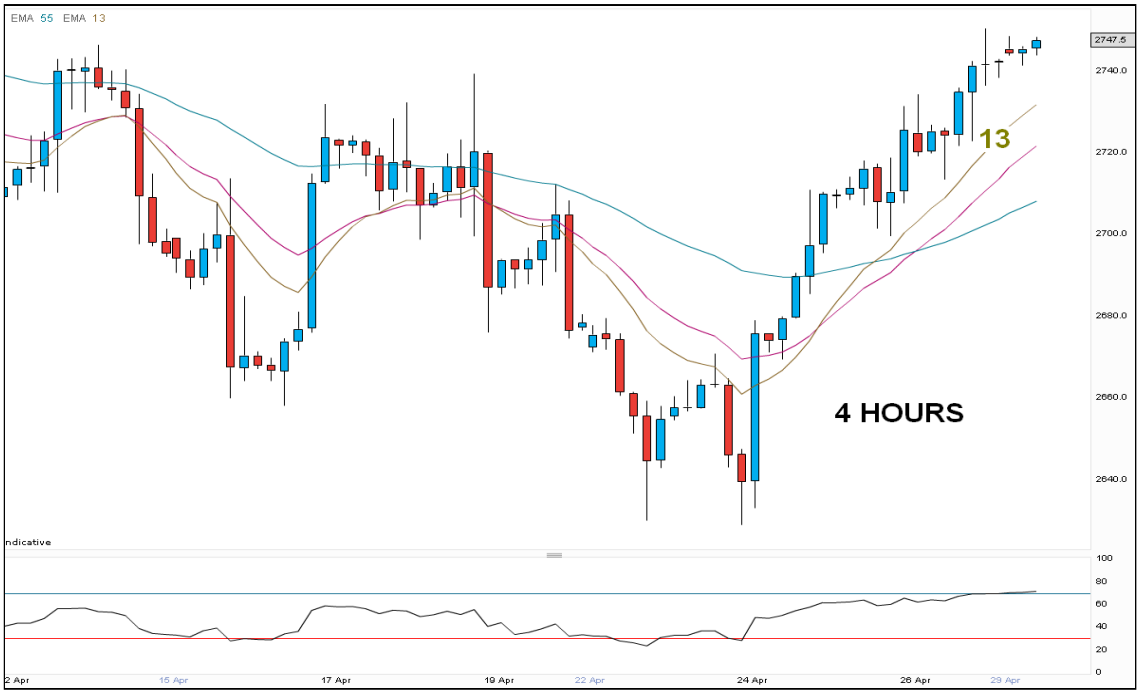
I suppose the bears might now argue that the Dow is about to form a bearish "double-top" pattern, with a target down at 12150. That's not my interpretation, though, and I am looking instead for the index to exceed its 13297 highs from April, and then deliver plenty more besides. There is a likely-looking cluster of targets up around **13562.**

I might after the Dow dips through its 55-tenminute EMA (12233) and then rallies back above it.

SUPPORT	RESISTANCE
13157.1	13450.2
13041.8	13376.4
13002.8	13297.1
12876.0	13260.1



NASDAQ 100



IG Index chart

I did a small long position in the Nasdaq on Friday and caught a little move higher. The index is currently overbought on its fourhourly chart (RSI 71.3%) but that's nothing too much to worry about. The daily chart is entirely unstretched, and leaves plenty of scope for a major move higher. The first objective is the highs up at **2795.**

I would like to go long on a bounce off the 13-fourhourly EMA (2732).

SUPPORT	RESISTANCE
2744.11	2815.79
2713.38	2805.80
2679.76	2782.95
2648.61	2763.25

investors CHRONICLE
THE TRADER'S STOCK MARKET OUTLOOK
http://www.investorschronicle.co.uk/comment/the-trader dominic.picarda@ft.com



DAX 30



IG Index chart

The DAX's Friday surge took it back above its 21- and 55-day EMAs. I would therefore be looking for the index to make further gains from here, even though I prefer the look of the US markets right now. A move up to **7142** seems in order, based on the bottoming formation of recent days.

I'd at least wait for the DAX to retreat to its 55-TENMINUTE EMA (6812) before buying.

SUPPORT	RESISTANCE
6810.83	6999.09
6754.81	6910.99
6695.61	6876.40
6611.80	6810.83



FTSE 100



IG Index chart

With the rest of the indices here back in bullish mode, I imagine the FTSE will probably get dragged back upwards too. It got back above its 55-day EMA on Friday, which certainly improves the outlook. Although I suppose the index offers "catch-up potential," I am more comfortable playing the US markets, which are already showing more strength. The next target is **5892**.

I am no longer looking for shorts here, but I do not envisage buying either.

SUPPORT	RESISTANCE
5788.1	5973.1
5755.7	5941.6
5711.1	5891.4
5673.1	5837.2



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