

PSI 20 : bounce off the highs of 2005

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Close price 8316,61 pts

2 months Opinion NEUTRAL

2 weeks Opinion POSITIVE

Resistances 8500 / 8766 pts

Supports 7845 / 7400 pts

Follow-up analysis

Since the DBD Tracker dated the 15th of September, the prices of the Euro MTS Inflation Linked Index fell to 166 pts. The bearish momentum continues and the trend should continue, we maintain our objective at 164.72 points.

Technical Commentary :

Since the highest recorded at 13 474 points in November 2007, the PSI 20, which includes the 20 largest capitalizations on the Lisbon Stock Exchange has lost almost half its value. This violent decline was halted on the 16th of July 2008 by an important chart level located at 7 845 points: it is the former resistance for most of the period from 2001 to 2005. The new rebound of prices off this major support is an opportunity.

Anticipation :

The prices of the PSI resume, in an impulsive way since the reintegration of the major support at 7 845 points Friday. This positive technical configuration, supported by a strong increase in volatility (indications of lows in the market) calls for a strong rebound, whose objectives are at 8 500 and 8 766 points. However this scenario would be invalidated if the support at 7 845 pts was to break.

ETF - TRACKERS replicates or amplifies the movement of the index

Traker's Name	Leverage	Euronext Code	Ticker	RIC	Expense ratio
PSI 20 Fund		IE00B3BLZ293	PSI PL	PSI.LS	0.5%

* A leverage of 1 means that the ETF/Tracker has the same performance as the underlying index. A leverage of 2 indicates that the ETF/Tracker will have twice the performance of the underlying index. A leverage of -1 indicates that the ETF/Tracker will perform opposite that of the index: it will rise while the index falls, and vice versa.