

# EQUITIES

- Yesterday witnessed a major drop, immediately forcing ALL daily charts into an oversold state. This is not the best time of the month to make BOLD statements but any subsequent weak closes this month will confirm a MUCH GREATER and MORE COMPREHENSIVE failure. We have been over stretched for some time at difficult levels.
- US stocks remain the most over bought and many have recovered MORE than 200% of the 2008-2009 correction.
- The DOW and S&P have major RSI dislocations spread across monthly, weekly and daily durations! This is a DANGEROUS combination.
- Some RSI's surpass 1950 and 1980 levels.
- US stocks highlight the most CONCERN.

Eurostoxx monthly : We have finally failed the 38.2% ret 3654 having spent several months teasing the level. This is a massive range for any week so would expect a BOUNCE but a subsequent WEAK close this month will confirm a GREATER WORRY.



06/02/2018

Eurostox weekly : A big couple of week ranges and the 38.2% ret 3316.88 looks a likely draw.



Eurostox daily : The RSI has been taken to an oversold state by the recent price action just as we hit the 100% ret 3363.68. Despite the RSI I would be cautious about doing TOO MUCH HERE.



FTSE monthly : The breach of 123.6% ret 7527.88 triggered major stops and providing we close the month weak this will be a major statement.



06/02/2018

FTSE weekly : A speedy decline to the 100% ret 7119.35 but the RSI still has room.



06/02/2018

FTSE daily : A decent RSI dislocation this time with a hit of the 61.8% ret 7067.39, making it my focus contract for any “bounce”.



DAX monthly : This had A LOT of tension built in with MONTHS of volume and positioning ABOVE the 200% ret 12741.25. It does look like that was the high.



06/02/2018



DAX weekly : A very nice trend channel break.



Dax daily: Another rapid drop has left a low RSI so again this could BOUNCE but daily CLOSES remain key.

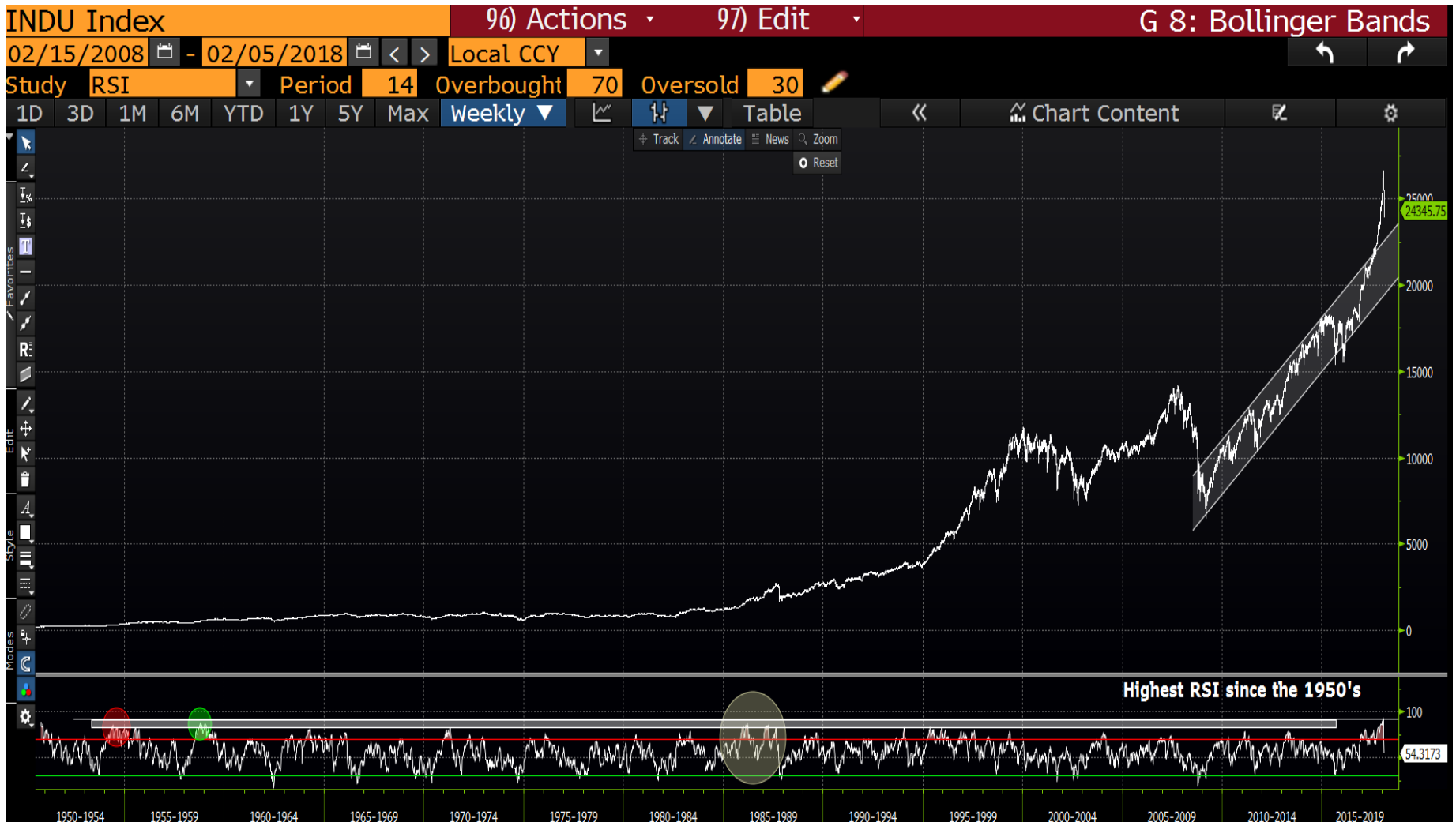


06/02/2018

Dow monthly : This RSI had SOOOOOO much room for failure and the UNWIND has started. The key to further downside is a close sub 223.6% ret 23750.09.



Dow weekly : Another market that went into free fall yesterday but the overall steepness of the rally prior is a **WORRY**, it could continue.

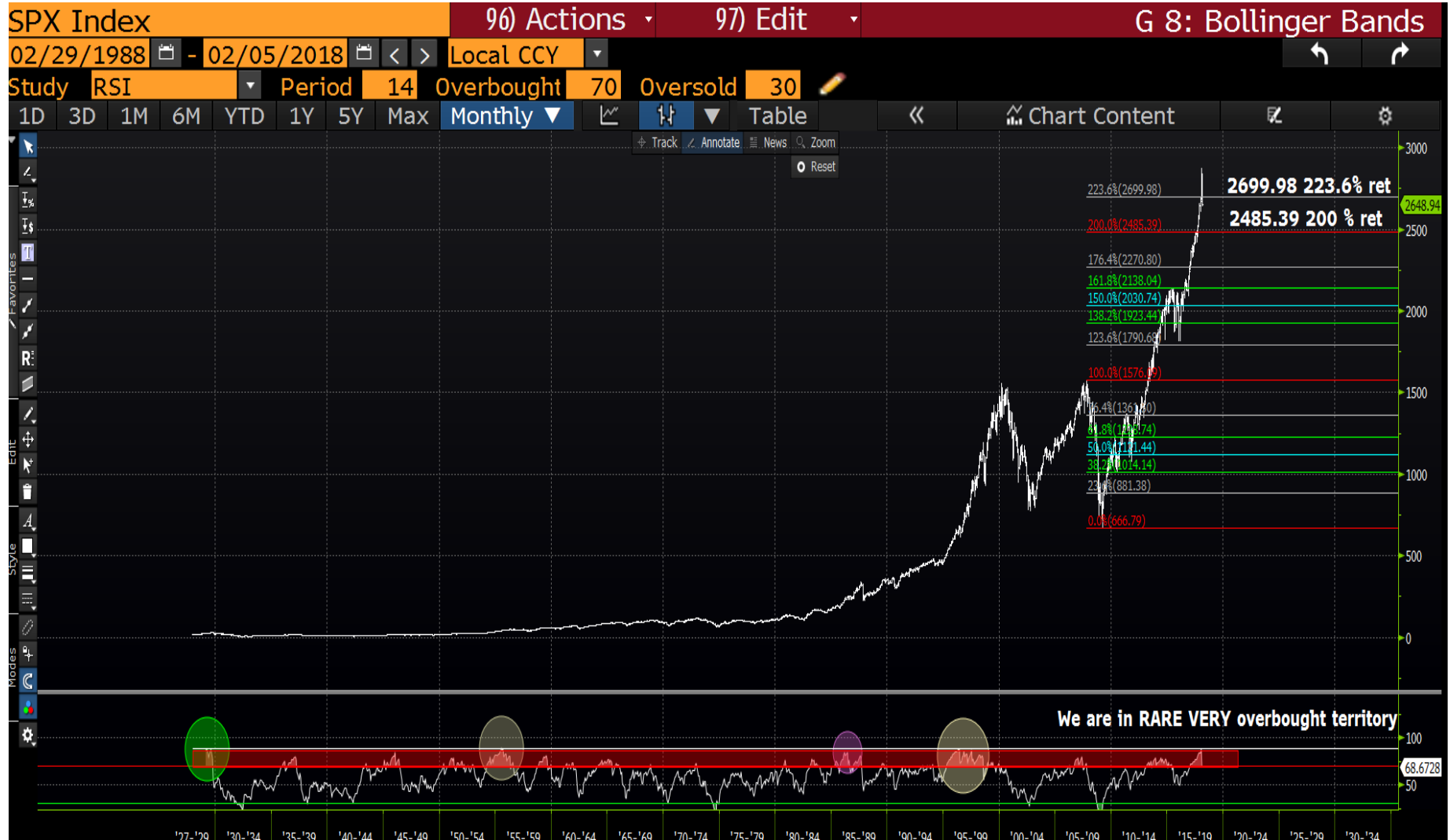


Dow daily : The RSI is now low but we have seen a HOLD of the 76.4% ret 24017.55.



06/02/2018

S&P monthly : Another near vertical RALLY that may of just found a TOP. The RSI remains in overbought territory. A close in subsequent months sub 2485.39 200% ret WILL confirm a more major washout.



S&P monthly : The RSI has unwound some of its tension BUT we are now sub the 2692.46  
223.6% ret.



S&P daily : Key level to watch for given the RSI is if we hold the 2612.22 trend.





ES1 daily : For those who look at 200 day moving averages, we have hit the 2533 level.  
The RSI is no guarantee.



06/02/2018

NASDAQ monthly : We have a very DEFINED reversal of last months extended gains, the key element is to close back at or making new lows at month end.



Hang Seng monthly :We have breached the 0.0% ret 31958.41 so could be a nasty TOP formed.



Hang Seng weekly : The RSI is finally in over bought territory, highest since 2007, sub 100% ret 31958.41 will be bearish.



Nikkei Monthly : The RSI is lofty but seems to lack positioning momentum like the US market.



Nikkei weekly : A nasty failure at the 150% ret 23953.13 and the RSI is now MORE defined. Key scenario is a close sub the 123.6% ret 20968.48.



06/02/2018

MEXBOL monthly : No major signals here, the RSI is lame but we have seen a 200% bounce from the 2008-2009 move.



06/02/2018

This research was prepared by Chris Williams. He is a self-employed contractor with Astor Ridge. A history of his research can be provided upon request in compliance with the European Commission's Market Abuse Regulation.

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