

German Bund: 8% correction from April record highs; will 148 Support endure?

GG - Euro Bund - Weekly Candlestick Chart



Values decline nearly 8% from April record highs. Question remains if a new secular downtrend is now underway or merely a conventional correction from likely over-bought levels? Bears' contend:

- Weekly Technicals turn down.
- Monthly Technicals: 'Stochs' already turned down while MACD on the precipice. (Not shown)
- Breach of key 155 -156 Support area, ie, 18 month Gann *1x1* Uptrend & 40 week MA.

Bulls:

- Successful test of Retracement zone (from last 2 years upmove).
- Prices already bounce 4 points from last week's lows: some *daily* Technicals turning up.
- 2 year Gann *2x1* Uptrend thus far intact!