

TSE60: Daily Update: Is Summer 'bounce' merely a 'bear flag' within downtrend?

TPU12 - S&P TSX 60 - Daily Nearest Candlestick Chart



Summer 'bounce' from late Spring double bottom Major Support @ 636.50 comes with very choppy trading ranges, appearing more like a consolidation pattern, possibly a 'Bear Flag'. Nonetheless, values were able to achieve retracement zone objectives from the March – June declines (shown). Please note:

- 200 day MA (currently @ 683) is proving formidable Resistance.
- Major Resistance shown by 2010 - 2012 Gann 3x1 downtrend (currently around 687).
- Are Technicals waning again?: 'Stochs' & MACD appear to be on the verge of turning down.

Warning: downside breaches of 2009 – 2012 Gann 4x1 Uptrend line, around 645, then the double bottom lows @ 636.50, which would breach 'Head & Shoulders' top (see our June 13 chart work) would have dire consequences with a downside target approaching the 2008-09 lows @ 450!