

Technical Analysis – DJI Index

Dow Jones Industrial Index is a stock market index that represent the U.S. stock market, by measuring stock performance of 30 large companies listed on stock exchanges in United States. In 23/09, the market open with a price of 26,851, another bearish for the last 3 days.

Candle Stick Movement and Chart

From the last 3 days candlestick obtained, the market movement is constructing a 'bullish deliberation block' pattern. Whereas, the first and second day are bearish, with the second day opens in the range of the previous day's body and closes below the previous day's close, and a short candlestick or spinning top that has gaps for the last day.



Moving Average

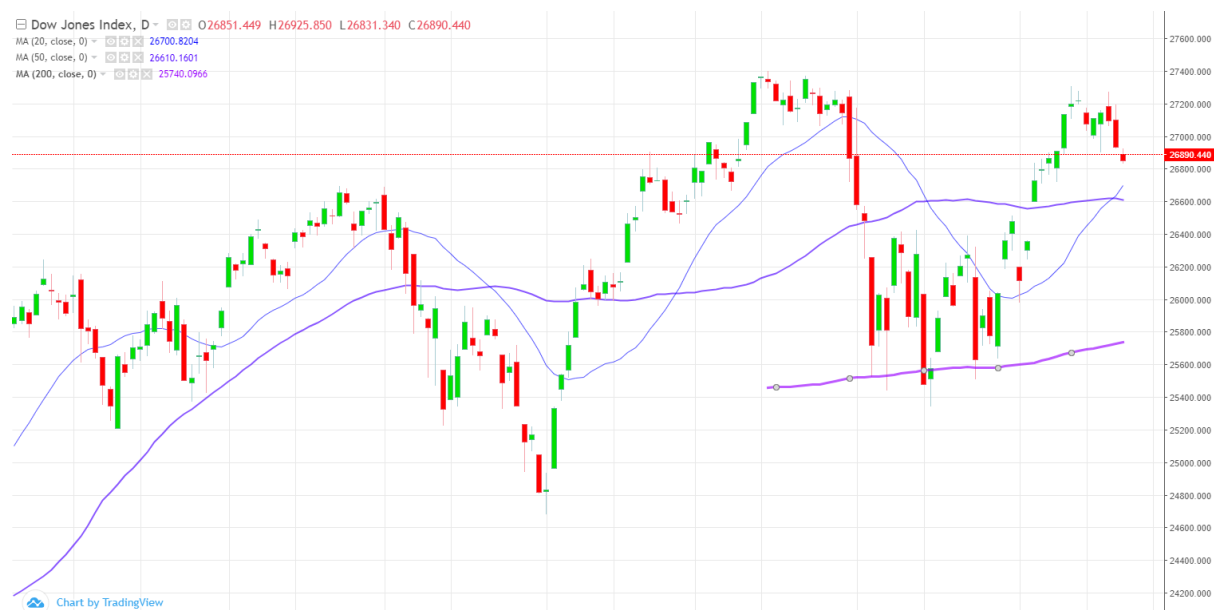
Moving averages visualize the average price of a financial instrument over a specified period.

- 200 MA

The 200 day Moving Average is a technical indicator used to analyse long term trend. DJI prices are consistently trading above the 200 day Moving Average, indicating markets is an upward trending market, and can also be perceived as a healthy market to trade as well.

- 20 MA & 50 MA

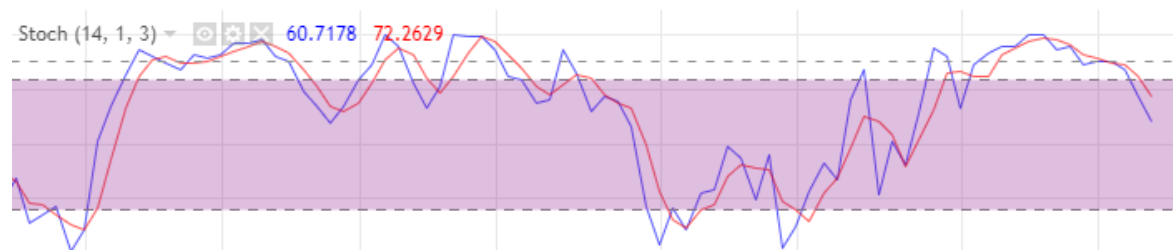
Meanwhile, the 20 day and 50 day Moving Average used to analyse a shorter-term trend. There is a crossover between the 20 day and 50 day moving averages (20 day moving average pass through 50 day moving average) shows that the upward trend will be faster.



Stochastic Oscillator

Stochastic oscillator is a momentum indicator comparing the closing price with the previous trading range over a specific period. The stochastic oscillator is believed to work best in the sideways market or choppy market.

The DJI market shows a number of 60.7178 in the first half 23/09, which just pass through the overbought line of 80 on 19/09. So, the market is considered neutral by using the Stochastic indicator.



RSI Oscillator

The Relative Strength Index is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 and 100, which is considered overbought when above 70 and oversold when below 30. The RSI is believed to be more useful during trending market.

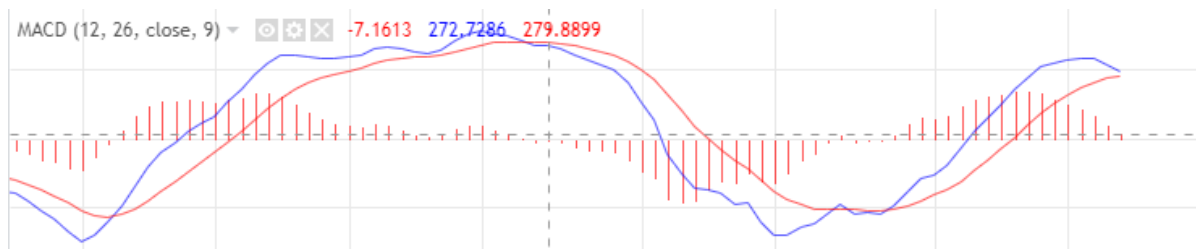
The DJI market shows a number of about 58 on the first half 23/09 and is considered neutral by using RSI.



MACD

Moving Average Convergence Divergence is a trend-following momentum indicator that shows the relationship between two moving averages of a market price. MACD consist of MACD line and Signal line. When the MACD falls below the signal line, it is a bearish signal, on the other hand, when the signal line falls below the MACD, it is the bullish signal

The DJI market shows a number of 272.7286 for the MACD line and 279.8899 for the signal line. The histogram gained from the difference of MACD and signal line, showing a drop of gradient, that we can predicted the MACD line will fall below the signal line in the next few days.



Conclusion:

- Candlestick : Bullish
- Moving average: Bullish
- Stochastic : Neutral
- RSI : Neutral
- MACD : Bearish

From several technical analysis indicator above, Though MACD predicted bearish, we can conclude from the candlestick movement and moving average of the market will be bullish for 24/09. It is difficult to predict the DJI market on 24/09, as the due date restrict to only analyse the first half of the 23/09 market. In addition, the market has reached the resistance level for the past few days making it doubtful for the market to keep rising again.