



# Technical Update

Bob Dickey – Technical Strategist

November 21, 2019

**Support levels.** The major market indices continue to hover near their highs while the internal readings of the broad market suggest that a consolidation or pullback could be approaching for the indices over the near term. There are several areas of potential support below the indices that could serve as floors for a pullback, but which one will serve as a low point is not possible to say until a pullback is clearly underway. Generally, steeper declines come after extreme moves to the upside but the current market rally has been low on volatility and volume which would suggest that any pullback could also be less volatile. The rule of support levels is that if a first level is broken, the likelihood of pulling back to the next support level is high, so we monitor these potential moves a step at a time. The Dow Industrials have their first support level at around 27,000 (3,000 on the S&P) which is about 4% down from the peak, with the next and perhaps more important support level being close to 26,000 (2,900 on the S&P) which would be 8% off the high. The lower level would still qualify as a normal dip within the bullish trend and would not be unusual to see over the next few months.



Chart courtesy StockCharts.com and RBC Wealth Management

**Investment and insurance products offered through RBC Wealth Management are not insured by the FDIC or any other federal government agency, are not deposits or other obligations of, or guaranteed by, a bank or any bank affiliate, and are subject to investment risks, including possible loss of the principal amount invested.**

## Disclosure

The information contained in this communication has been compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made by RBC Wealth Management, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this communication constitute the author's judgment as of the date of this communication, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this communication constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this communication may not be suitable for you and it is recommended that you consult your Financial Advisor if you are in doubt about the suitability of such investments or services. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. This communication is not, and under no circumstances should be construed as, a solicitation to act as a Financial Advisor. To the full extent permitted by law neither RBC Wealth Management nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct, indirect or consequential loss arising from, or in connection with, any use of this communication or the information contained herein. No matter contained in this communication may be reproduced or copied by any means without prior written consent of RBC Wealth Management in each instance. This communication is not a research report or a product of RBC Capital Markets' Research Department. As such, this communication may not be independent of RBC Capital Markets' proprietary interests. RBC Capital Markets may trade the securities discussed in this communication for its own account and on a discretionary basis on behalf of certain clients. Unless otherwise specified, the views expressed herein are the author's and may differ from the views of RBC Capital Markets' / RBC Wealth Management's Research Department and from the views of others within RBC Capital Markets and RBC Wealth Management. The information in the body of this communication is intended to provide general company and/or market commentary, is not intended to provide a sufficient basis for an investment decision.

RBC Wealth Management, a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. © 2019 All rights reserved.



Disseminated: Nov 21, 2019 8:06ET; Produced: Nov 21, 2019 8:01ET