



Technical Update

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The floor below. The stock market has been giving us a good idea of what support levels look like as the major indexes have bounced off their low areas for this year from four to six times depending on which index you’re looking at. Each individual low has been at a different level, which together form a support band under the indexes, meaning that the actual support is not a single number but a wider bottoming zone. It’s human nature to want to know what the exact number to watch is, but the markets are much more complicated than that. We see the overall support area as being good to hold unless the lowest level of the support is “clearly” broken, and that generally means by about 1% to 2%. Otherwise, we expect the support area beneath the DJIA and S&P to hold and lead into another rally period after a bit more of what is now our normal higher volatility.



Chart courtesy StockCharts.com and RBC Wealth Management

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