

INDICES | SWISS20 (1-H/1-M) | UK100 (1-W)

SMI- Bullish prospects for the Swiss economy

The Swiss Market Index (SMI) is Switzerland's blue chip stock market index, which makes it the most followed in the country. It consists of the 20 largest and most liquid SPI stocks based in Switzerland. Some of them are: Nestle (NESN), Novartis International (NOVN) and Logitech International (LOGN).

Since the bear trend that occurred from the 23rd of February until the 7th of March ended, where the SMI found support at 10,889.41 points. There has been an upward correction that stopped, when the Index reached 12,233 points, its new resistance point. Since then, the volatility of the index has been low, finding a new support at 12083.00. In short term analyses, the price of the index seems that it'll continue to increase in price because of the fact that its trading above MA 200 and It's really probable to pass the MA50 too. It wouldn't be surprising if the SMI reaches and even exceeds its previous high of 12 988.30 points, making it its new support, and finding new resistance even at the mid-13000s.



Long term analysis

Where things get interesting is in long term analysis. About a year ago, the Swiss market index had a nearly 20-year ascending triangle breakout which only means that the price of the Index will slowly but surely only increase. This proves that it won't take long for SMI to reach new all-time highs.



UK100- The index recovers, will it be able to keep its bullish momentum?

The diagram shows the weekly analysis of the UK100 index. First of all, let us mention that the MACD index was used for this analysis, as the moving average with a length of 50 on the red line and 100 on the blue line. Initially, one can easily observe the above picture is the sharp decline in early 2020, when the pandemic started and the UK100 index, affected by international markets, made a big dive, falling to about 5184 points. But then you can see the upward trend of the index, with a correction towards the end of 2020. Since then, the index has been following a steady upward trend, reaching today 7473.35 points after a small correction of 172 points. What is observed is that the index has an upward trend and after the confirmation of the moving average in August 2021, it is expected to break the high of 7769 points, so that the index leaves with an upward force. However, given the high inflation rates that exist and will exist until the end of the year according to forecasts, there will be an improvement from the beginning of 2023 and in combination with the increase in interest rates to make the above split. Therefore, we expect the movement of the index and consequently the confirmation of the upward trend.



EURUSD- Are geopolitical threats destabilizing one of the greats?

Putin's advances in Ukraine may severely threaten the financial stability of the Eurozone more than we had thought. With the Euro dropping to first wave Covid lows following the bearish channel we can clearly see on the chart that investor's faith in Europe maintaining order and peace is steadily declining. The price initially bounced off the 23.6% Fibonacci retracement level with some bullish momentum only to drop lower as sell orders piled with the announcement of Russian Military operations, with the 21 and 9 day EMAs crossing over, indicating a heavy movement towards the downside, retesting the level once as a newly formed resistance at 1.115. This steep -2.3% decline since late February can be explained by the Fed's rather Hawkish announcement strengthening the Dollar with constantly hiking rates alongside Europe's heavy dependence on natural gas and numerous European companies' imports of industrial material from Russia that are going to be heavily negatively affected by the sanctions. If geopolitical tensions are resolved, we may see a steep climb- that's going to be the catalyst to help break from the downtrend that has been forming since May last year towards 1.12-1.14 levels and stabilizing there if no major policy changes are announced by either central banks. On the other hand, the bearish scenario foresees an even stronger Dollar with Europe's ability to be a safe space of investment declining even further, this would mean that the price would follow the trend line and stabilize at a much lower 1.08 indicating the USD's perseverance as a safe haven currency.



FB- Bulls in the short term, Bears in the long term

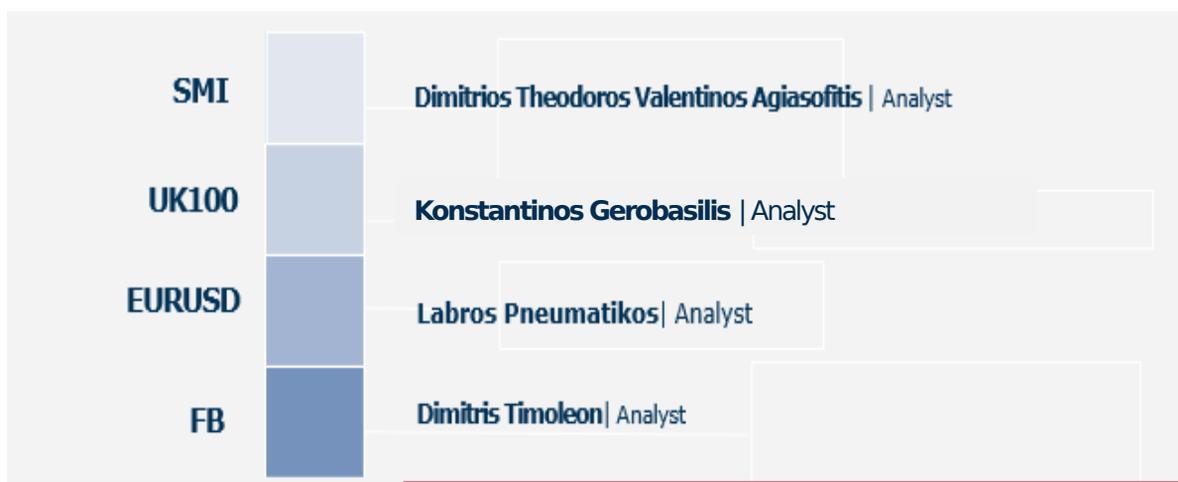
FB has been in a heavily bearish movement the last months. We should follow this behavior in the long term. However, as we notice we have broken a significant structural point, so we expect a pullback that, according to last week's Price action (Change Of Character), has probably started. The next weeks will probably continue Bullish, but we should be mindful that it is just a pullback and time will show if this narrative changes.



A closer look

In the Daily chart we will look for potential entries. As we see Price made a Bullish impulse breaking structure and giving us a signal that the weekly pullback started. We now expect price to start forming Higher Highs and Higher Lows. The areas we marked in the chart could support price to go higher and potentially form a Higher Low





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