

S&P/ASX200 Index

The S&P/ASX 200 is down but slowly recovering at 4740 points after last night's shock fall in commodity markets (oil down 10% alone, AUD/USD down to 1.05)

Short term price action resembles a decelerating downtrend (note red curve under low points in last week on chart below). The index (XJO) is hovering above its 260 day moving average (my preferred long term average).

The major trend and support line is 4700 points - a close below this area would be a clear sell/short zone for the index as the correction continues. The current pause - on the back of good bank earnings and a reversal in AUD strength could turn out to be a bounce only.

Internal scans of ASX100 constituents show lots of bottoming and intra-day resilience - don't look into this too closely just yet - but considering the hammering commodities had, resources are doing well, and the big four banks are up, alongside a breakout in Telstra's long running bearish trend.

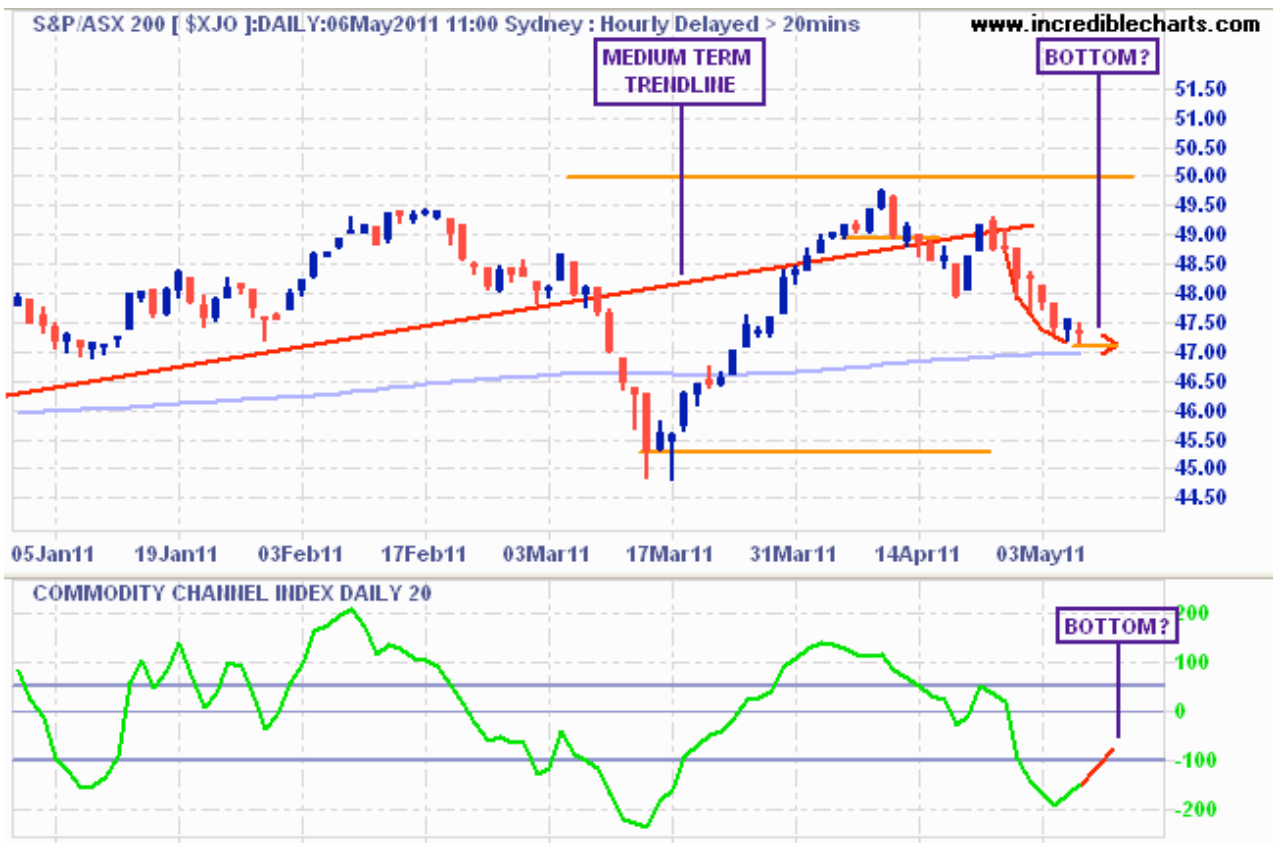


Chart 1. Daily candlestick with 260 day moving average and CCI cyclical indicator.

ABOUT



The Prince is a full time trader with extensive experience in equities and derivatives trading and portfolio management.

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Daily Stock Scan

How to read

These watchlists are the results of end-of-week scans, using a medium term trading system to ascertain the strength, direction and momentum of trends.

This intra-day report will pinpoint possible entries and exits based on a short term trading system.

What does "position" mean?

Bullish = looking to add/start long position
Bearish = looking to add/start short position
Hold = maintained current position
Avoid = wait for direction/catalyst

Go to the glossary at the end of the report for more information.

ASX100 Select

Name	Code	Pattern/Stance	Position	Notes
AGL Energy	AGK	Sideways bullish	BULLISH	"may pullback a little" - yep down 0.7%, but stay the course
AMP Limited	AMP	Sideways bullish	AVOID	"appears oversold" - down 0.2% but hitting support
ANZ Banking	ANZ	Sideways bullish	AVOID	Finished higher yesterday and rebounding again today - banks are strong.
ASX Limited	ASX	Medium term downtrend	BEARISH	Down 0.9% - maintain stops at \$32
BHP-Billiton	BHP	Sideways bearish	HOLD	Down 2% and coming up to support line - close below is very bearish
Bluescope Steel	BSL	Medium term downtrend	BEARISH	Down 0.6% - a really weak AUD can't save BSL Carbon price certainty will. Tighten to \$1.73
Boral	BLD	Sideways bearish	AVOID	Down 0.7% - close below \$4.70 would complete H and S formation - then short - almost there
Caltex	CTX	Sideways bearish	BEARISH	Down another 1.4% on oil slump - keep going
Coca-Cola Amatil	CCL	Medium term uptrend hitting resistance	HOLD	No short action here - medium term trend still okay (higher lows on all dips so far)
Cochlear	COH	Medium term uptrend complete - sideways	HOLD	Looking stronger now - 2 up days in a row - low AUD is great for business. Watching for signal
Commonwealth Bank	CBA	Sideways bullish	HOLD	Closed strongly yesterday, up slightly today - well above support. Wait for Tuesday earnings
CSL	CSL	Sideways bearish	AVOID	Finding some support, but no entry signals yet
CSR	CSR	Medium term downtrend	BEARISH	Steady - could rebound. Tighten stops
David Jones	DJS	Sideways bullish	AVOID	Down slightly, but as I said, finding support around \$4.40. Rangebound/sideways here.
Fairfax Media	FXJ	Medium term downtrend	BEARISH	Down 0.9% and looking very bearish - and very oversold. As I said, not for the fainthearted.
Fortescue Metals	FMG	Sideways bullish	AVOID	Found a definite bottom at \$6, looking very resilient here - nobody wants to sell just yet



Name	Code	Pattern/Stance	Position	Notes
Harvey Norman	HVN	Sideways bearish	AVOID	Decelerating continues - up slightly. Covered earlier in the week.
JB Hi-Fi	JBH	Sideways bullish	AVOID	Failed its short term rally, very weak on back of retail sales. No action here
Macquarie Group	MQG	Medium term downtrend	AVOID	Still bottoming out - no action here either.
Myer Holdings	MYR	Sideways bearish	AVOID	Another one - down slightly, but nothing going on
National Aust. Bank	NAB	Sideways bullish	BULLISH	Bazinga - everyone loves NAB. Up strongly - overbought even. Long rally since late March - target/resistance is \$28.80
Newcrest Mining	NCM	Sideways bullish	HOLD	Down 1.9% on gold price, but steady in the medium term.
Onesteel Ltd	OST	Sideways bearish	AVOID	Up 1% - recent prices are indicative of strong support. Cover shorts and wait for re-entry or a rebound rally.
Oz Minerals	OZL	Sideways bearish	AVOID	The standout - down 4% and now below support. Close below \$1.38 would be very bearish.
Qantas Airways	QAN	Medium term downtrend	AVOID	Up 3% on lower oil prices, but still in descending triangle pattern. If oil/AUD weakness continues, QAN likely to benefit.
QBE Insurance	QBE	Sideways bullish	AVOID	Down slightly again but sideways still. Hold off
QR National	QRN	Sideways bullish	AVOID	Weak open but now up 1.5% - still within sideways channel, no re-entry signal yet
Rio Tinto Ltd	RIO	Sideways bearish	HOLD	Down 1.7% - BHP's twin is heading for its Japan low at \$77 - expect buying support here.
Suncorp Group	SUN	Sideways bearish	BEARISH	Steady - watch the close to cover short.
Tabcorp	TAH	Medium term uptrend	HOLD	Steady - add to long if close above \$7.80
Telecom Corp.	TEL	Sideways bearish	BULLISH	Breakout - up 1% and ready for stage 2 trend
Telstra	TLS	Sideways bullish	BULLISH	Accelerating trend - add to long if it closes above \$2.98 (unlikely)
Wesfarmers	WES	Sideways bullish	HOLD	Another bottom picker - up 0.8% - watch this one
Westpac Bank	WBC	Sideways bullish	HOLD	Up slightly - small short term downtrend in jeopardy - tighten stop if short
Woodside	WPL	Sideways bullish	BEARISH	Down 0.3% tighten stop to \$46.04 or so
WorleyParsons	WOR	Sideways bullish	AVOID	Down 1.5%, but decelerating correction. Possible re-entry soon.
Woolworths	WOW	Sideways bearish	AVOID	Weak breakout continues, coming up to resistance at \$27.20 or so



Calendar

Date	Event/Company	Notes
Friday, 6th May	USA	Unemployment rate
Tuesday, 10th May	Commonwealth Bank (CBA)	March QTR Trading update

For more up to date information on upcoming events go [here](#).

Glossary of Terms

Term	Description
Bullish	Biased towards an uptrend in the stock, either trend continuing or a new trend to develop
Bearish	Biased towards a downtrend in a stock, or lack of potential for growth, or to add to a short
Long/Short	The buying/selling of a security (or derivative thereof) with expectation it will rise/fall in value
Sideways	Usually with a bullish/bearish bias, the stock is consolidating and not moving in a medium term basis, but may move in between a channel of prices through short term trends.
Hold	To maintain the position and examine risk management (e.g tighten stops)
Avoid	To avoid a position entirely, but not to stop watching for future potential
Resistance	An upper price level that a stock or index can trade to, but not exceed.
Support	A lower price level that a stock or index can trade down to, but not drop below.
Momentum	The rate of change or acceleration of prices, either upwards or downwards.

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