



German July data slumps suddenly

Disappointment all round

Released early this morning Germany's July trade surplus dropped to €15.5 billion from €19.3 billion in June, the smallest in four years, caused by exports which dropped by 0.9 percent and imports which surged 2.8 per cent; the current account surplus sagged by a staggering 41 per cent (from €26.2 billion to €15.3 billion). Simultaneously industrial production dropped by 1.1 per cent on the month taking the annualised rate of growth to 1.1 per cent (lowest since February last year).

We knew that Brazil's presidential election was wide open, the most popular candidate, the PT's Lula, behind bars. Yesterday the man in second place, far-right candidate Jair Bolsonaro (AKA Brazil's Donald Trump) out campaigning on the streets of Juiz de Fora was stabbed. Rushed to hospital his son and campaign manager said he had undergone surgery for serious wounds.

**Nicole Elliott**



## DAX 30



IG Index chart

Dipping a little again yesterday and closing just a fraction below the important 12000 level. Remember that key secular support lies between 12000 and 11600; the closer we get, the faster the moves will probably become.

**SHORT TERM TRADER:** Will re-sell on a weekly close clearly below 12000.

**POSITION TAKER:** Am considering a key short position.

SUPPORT	RESISTANCE
11935	12000
11875	12100
11800	12240
11750	12400



## FTSE 100



IG Index chart

Another European index dipping a little further, and more importantly spending all day yesterday below 7400 and below the bottom of the broad trend channel.

**SHORT TERM TRADER:** Took some more profits late yesterday just ahead of my initial target at 7300.

**POSITION TAKER:** Short with an original target at 7100; stop above 7535. Might add to this position on a close below 7400 today.

SUPPORT	RESISTANCE
7300	7400
7250	7460
7200	7500
7170	7535



## S&P 500



IG Index chart

Slipping another little notch, rather like the cogs in a funicular railway. We'll probably spend the bulk of the day at current levels as we wait for August's US employment data. Why people still think it's crucial is anyone's guess; habit, probably.

**SHORT TERM TRADER: Square**

**POSITION TAKER: Square.**

SUPPORT	RESISTANCE
2867	2890
2860	2916
2855	2940
2845	2950



## BRITISH POUND/US DOLLAR



IG Index chart

Consolidating in a tiny symmetrical triangle just under first Fibonacci retracement resistance at 1.3070. An interim low just under 1.2800 might be in place based and a weekly close clearly above 1.3000 should increase positive momentum.

**SHORT TERM TRADER:** Small long at 1.2925; stop below 1.2780. Target 1.3275.

**POSITION TAKER:** Might go long on a close above 1.3000 today.

SUPPORT	RESISTANCE
1.2855	1.3000
1.2785	1.3040
1.2730	1.3070
1.2700	1.3100



## EURO/US DOLLAR



IG Index chart

Today we have redrawn the top of the triangle to take in the interim highs (sorry about incorrect chart yesterday). Not too shoddy as the euro consolidates quite happily above 1.1600.

**SHORT TERM TRADER: Square.**

**POSITION TAKER: Long at 1.1595; stop below 1.1530. Target 1.1785.**

SUPPORT	RESISTANCE
1.1600	1.1660
1.1530	1.1675
1.1500	1.1700
1.1485	1.1735



# GOLD



IG Index chart

Holding at current levels though platinum, and especially silver charts, look very bearish.

**SHORT TERM TRADER:** Short at 1195; stop above 1220. First target 1160.

**POSITION TAKER:** Square.

SUPPORT	RESISTANCE
1189	1207
1180	1215
1172	1235
1160	1240



Nicole Elliott is a long-standing member and Fellow of the Society of Technical Analysts and has taken over the IC's trading coverage. She is regularly interviewed and quoted by the financial media, is a conference speaker, and author of several books on charting.

© The Financial Times Ltd 2010. Investors Chronicle is trademark of Financial Times Ltd. "Financial Times" and "FT" are registered trademarks and service marks of the Financial Times Limited. All rights reserved. No part of this publication or information contained within it may be commercially exploited in any way without prior permission in writing from the editor.

Material (including tips) contained herein is for general information only and is not intended to be relied upon by individual readers in making (or refraining from making) any specific investment decision. Appropriate independent advice should be obtained before making any such decisions. Financial Times Business Limited does not accept any liability for any loss suffered by any user as a result of any such decision.

Do remember, particularly if you are new to stock market investment, that the prices of shares and other investments can fall sharply. You may not get back the money you originally invested. Past performance is not necessarily a guide to the future.

In comparing the investments described in this publication, you should bear in mind that the nature of such investments and of the returns, risks and charges differ from one investment to another. Smaller companies with a short track record by their nature tend to be more risky than larger, well-established companies. The investments and services mentioned in this publication will not be suitable for all readers. In some cases (for example, but without limitation, where an investment or service is provided by a party who is not authorised by the Financial Services Authority) you would not be protected by the investor protection measures required under the Financial Services and Markets Act 2000: for the sake of illustration only, you might not be able to claim under the Financial Services Compensation Scheme.

Provision of the investments or services mentioned on this website may be restricted by law depending on the jurisdiction in which you are resident, and on what type of investor you are. If you have any doubts about the suitability or legality of any investment or service, you should take appropriate professional advice.

The views and recommendations in this publication are based on information from a variety of sources. Although these are believed to be reliable, we cannot guarantee the accuracy or completeness of the information herein.

While we require our journalists and editorial staff to comply with the Press Complaints Commission Code of Practice, you should be aware that they may have interests in investments and/or providers of services referred to in this publication.