



Sino-US relations take a turn for the worse

Huawei to sue US government

From its base in Shenzhen yesterday, rotating Huawei chairman Guo Ping accused the US Congress of acting as “judge, jury and executioner” when it banned the government from buying any of the telecom company’s equipment. They have filed a lawsuit in the Eastern District of Texas against the ‘unconstitutional’ move “after exhausting all other means to allay the doubts of some US lawmakers, we are left with no choice but to challenge the law in court.”

At today’s ECB meeting interest rates should be kept on hold at their current negative 40 basis points. However, they are widely expected to introduce further measures to try and prop up the Eurozone’s ailing economy. Measures might include even more cheap loans, targeting banks in particular. This would be seen as a dramatic loss of face and backpedalling on the trumpeted ending of quantitative easing – which was only wrapped up in December.

**Nicole Elliott**



## DAX 30



IG Index chart

Stalling around the Fibonacci 61 per cent retracement level and the neckline of the giant head and shoulders pattern that's been building for years.

**SHORT TERM TRADER: Short at 11600; stop well above 11800. First target 10800.**

**POSITION TAKER: Square.**

SUPPORT	RESISTANCE
11525	11655
11400	11685
11240	11700
11000	11800



## FTSE 100



*IG Index chart*

A tiny shooting star candle yesterday just above the psychological 7200 might form the right shoulder of a potential interim head & shoulders top that's been building for a month.

**SHORT TERM TRADER:** Small short at 7120; stop above 7275. Target 6800.

**POSITION TAKER:** Short at 7105; stop above 7275. Target 6700.

SUPPORT	RESISTANCE
7100	7175
7065	7212
7040	7239
6900	7263



## S&P 500



IG Index chart

Retreating a little again on a trade deficit which ballooned in December to \$59.8 billion as imports rose 2.1 per cent and exports fell 1.9 per cent. I was reminded that yesterday marked the 10<sup>th</sup> anniversary since the post-financial crash low at 666 for the S&P 500. I wonder if the Rule of 8-10 is valid on an annualised basis.

**SHORT TERM TRADER: Short at 2775; stop a bit above 2820. Target 2600.**

**POSITION TAKER: Short at 2795; stop above 2875. Target 2600.**

SUPPORT	RESISTANCE
2765	2800
2729	2818
2700	2877
2600	2916



## BRITISH POUND/US DOLLAR



IG Index chart

Hovering around what had been trend line resistance as EU negotiators give the UK 48 hours to come up with fresh plans to unlock Brexit deadlock – adding that they will work over the weekend to see if a compromise can be found. These people have had two and a half years to sort it.

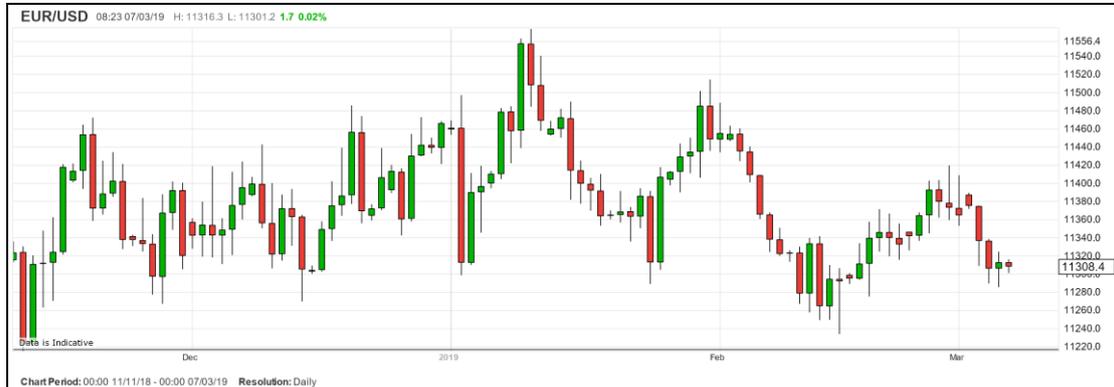
**SHORT TERM TRADER:** Square but might go long again today/tomorrow.

**POSITION TAKER:** Square.

SUPPORT	RESISTANCE
1.3125	1.3220
1.3100	1.3290
1.3050	1.3350
1.3000	1.3400



## EURO/US DOLLAR



*IG Index chart*

Dull and little volume going through.

**SHORT TERM TRADER: Square.**

**POSITION TAKER: Square.**

SUPPORT	RESISTANCE
1.1290	1.1340
1.1275	1.1420
1.1215	1.1515
1.1200	1.1570



## GOLD



*IG Index chart*

Back inside the old trend channel and reverting to tiny daily ranges.

**SHORT TERM TRADER: Square.**

**POSITION TAKER: Short at 1328; stop above 1326. Target 1255.**

SUPPORT	RESISTANCE
1280	1300
1276	1326
1266	1340
1240	1347



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.