

# How-to-Trade.co.za

Newsletter April 2016



## The Verdict

In this months newsletter we expect the top 40 to drop, although some shares look strong.

J200	SELL	45485
MTN	LEAVE	13060
SOL	SELL	43511
FSR	WAIT (BUY)	4707
WHL	SELL (short term)	8991
DSY	SELL (short term)	11924
SAB	BUY (short term)	89005
NPN	BUY	203900
VOD	SELL	15932

What happened with last weeks verdict? everything went along with the J200...positive.

Share	Action	Close 22/01	Close 01/04	Change
J200 (Top 40 Index)	BUY / WAIT (BUY)	42953	45485	5.89
MTN	LEAVE IT / SELL	12299	13060	6.19
SHF / SNH	WAIT	7345	9412	28.14
SOL	WAIT (SELL)	39576	43511	9.94
WHL	WAIT	9139	8991	-1.62
FSR	WAIT	4045	4707	16.37
DSY	WAIT	11940	11924	-0.13
MDC	SELL	12150	19031	56.63
NPN	WAIT (BUY)	187181	203900	8.93
APN	SCARY ONE	26061	31410	20.52
BAT	BUY	15500	16415	5.9
MPC / MRP	LEAVE IT / BUY	15000	17769	18.46
SLM	WAIT	5515	6657	20.71
VOD	BUY	14189	15932	12.28
GRT	WAIT	2200	2455	11.59
CPI	WAIT (SELL)	45600	57308	25.68
SBK	WAIT (BUY)	10231	12900	26.09

\* Remember these are just idea, you need to look at the charts first and make your own decisions

## Community

- Follow us on twitter: [@how to trade sa](https://twitter.com/how_to_trade_sa)

## J200 (Top 40 Index)



A toppish head and shoulders formation. If it plays out 43500 is the full target. The 50-day moving average may look to cross above the 200-day moving average but that would not be a buy signal. On the contrary it feels like that would be a sell indicator.

**The Bottom line:** Short term the right shoulders might form. Mid term it is looking weak, below 45500 opens up 43500.

# MTN



There are volume spikes on big moves down.

Imagine volume increases on a price decline and then price moves higher, followed by a move back lower. If price on the move back lower stays higher than the previous low, and volume is diminished on second decline, then this is usually interpreted as a bullish sign. - Excerpt from [Investopedia](#)

Fundamentally there is still news and management concerns that make trading very risky, especially if you aren't *in-the-know*.

# Sasol (SOL)

Let quickly look at USOIL, the price of the main product that sasol sells.



A break of trend, looking to go lower mid term.

# Firststrand (FSR)



Ascending triangle. Looking for a chance to accumulate at the higher lows on the support line.

# Woolworths (WHL)



Still a strong long term resistance, and price is sitting right on the line. A nice shorting opportunity.

# Discovery (DSY)



Falling wedge.

Regardless of the type (reversal or continuation), falling wedges are regarded as bullish patterns. - [Stockcharts](#)

We will need the resistance to break, current price action looks like its on the way down again. Maybe next time.

# SAB Miller (SAB)



Descending triangle. Short term reversal to the 94000 level, if 88000 holds.



# Naspers (NPN)



Target of head and shoulders still 2300. Another last chance to accumulate above 2000.

# Vodacom (VOD)



Extended a bit out the channel. Time to short when it breaks back inside the channel.

Rules of the trade:

- Never Add to a losing trade
- Cut your losses fast
- No-one ever lost money taking a profit
- Close your winners slow
- Always use a stop loss
- Only trade with what you are willing to lose

[Disclaimer, Terms and Conditions and Privacy Policy](#)