

Amid the recent highs and lows, ANZ has exceeded its sector

TECHNICAL
ANALYSIS
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THE banking sector has ridden the highs and lows with the rest of the market over the past six months. The financial sector index peaked at 5009 points on April 15 then fell almost 20 per cent to 4032 in July, before strengthening again to sit around 4468 now. That represents a climb of 10 per cent from the low of July.

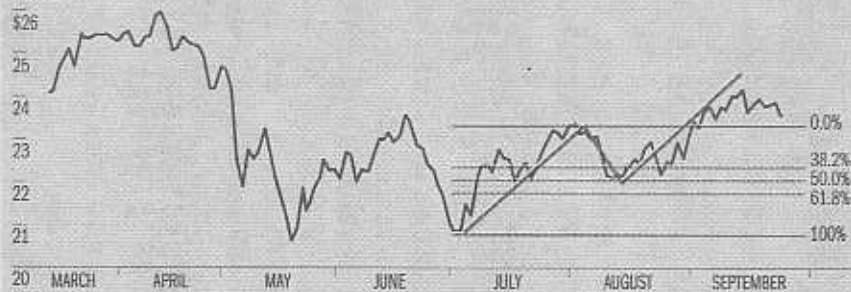
ANZ suffered an even more dramatic ride. It came off a peak of \$26.23 in mid-April to touch a low of \$19.95 in May, a fall of 24 per cent. That was followed by another rise during June and another

decline, back as far as \$20.89 on July 5.

Paul Ash, of the Australian Technical Analysts Association, now sees some strength in ANZ, given its performance since that low in early July. Since then ANZ, as the chart shows, has taken two uplegs separated by a retracement in August to a low of about \$22.

That retracement saw ANZ decline by just under 50 per cent of the total of its progress from July to mid-September, a sign Ash sees as a positive for the stock.

ANZ



Now Ash is expecting to see ANZ rally further, to about \$24.60, in the coming days and says that, from a chartist's perspective, the outlook

for the stock looks good. "The trend in recent times is up, with the stock price experiencing higher highs and higher lows," he says.

However, there is one sign that from the chartist's perspective is not optimum, Ash says. The rise from the July low was slightly stronger than

the second upleg, represented by the blue line on the chart. However, the chart still reads well for the stock, he says.

Market news on ANZ has been reasonably good. The group reported a 26 per cent rise in underlying profit for the nine months to June 30. And the result for the last three months of that period was 37 per cent better than previously. Credit quality was also improving at the end of June. Now the market awaits news on its full-year performance.

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