

Technically Speaking

Philippine Stock Exchange Index (PSEi)

Technical Indicators:

 BULL	50SMA, P.SAR, RSI, MACD	 Price 6,211	 Trend DOWN	 Target 6,400
 BEAR	200SMA, Volume			



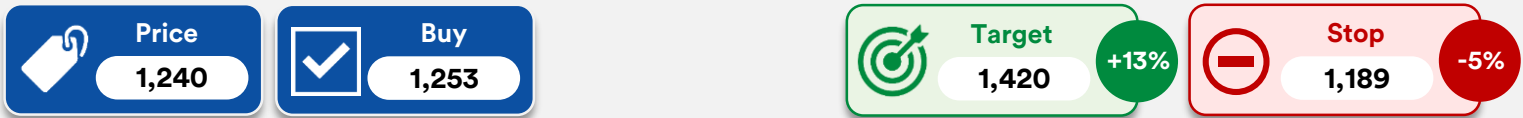
In Short

In the first 2 days of last week's trading, the PSEi corrected after it encountered a resistance at 50-day SMA. However, the index managed to surpass the said resistance mid week and was able to close at 6,211; slightly breaching the short-term downtrend drawn from the July peak. With the MACD above the signal line (buy signal) and RSI registering above the 50 level, we may see Scenario 1 mentioned in last week's Technically Speaking to play out. To recall, Scenario 1 is where we anticipate that the PSEi revisits the 6,400 area or the resistance of the downtrend channel of a larger degree. This view may continue play out provided that the PSEi will not break the new short-term uptrend line drawn from October lows.

If our benchmark trails this path, we will be able to draw a double bottom pattern; a bullish reversal pattern that precedes a potential upward rally that may allow our index to surpass key resistance areas.

Technically Speaking

Trade Idea for the Week: PLDT Inc. (TEL)



In Short

TEL has been in a downtrend since it peaked in 2022. This year, the stock's decline seems to have slowed down as it formed a falling wedge pattern and exhibited a bullish divergence with its RSI. Looking at the short-term trend of TEL, it is currently consolidating within a sideways range after it touched its long-term resistance. This consolidation allows us to draw a flag pattern. If the stock breaks out of this formation, a breakout rally may be anticipated. TEL is currently trading at 1,240 and we may enter the stock at 1,253 to participate in the stock's potential run. We set our target at 1,420 after measuring the height of the flag's pole. While our stop level is pegged at 1,189 or below the small sideways consolidation. Note that the reward-to-risk ratio of the stock is slightly below 3:1. Proper risk management must be applied.