

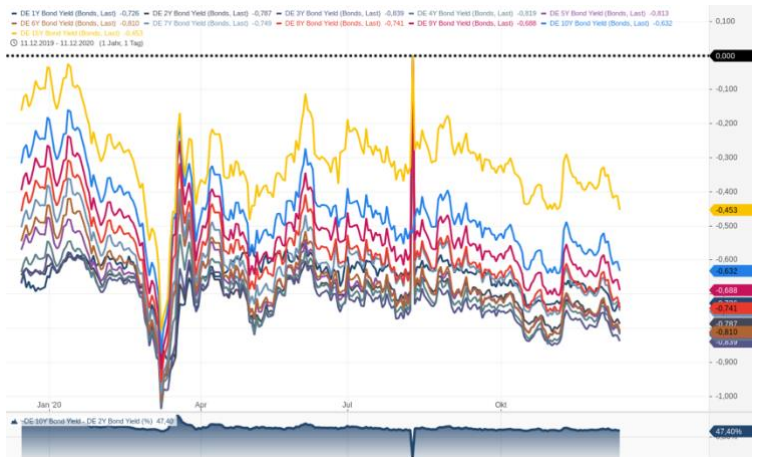
Technical Markets Germany Week 51 2020

DAX® & Co. - 🤖 Showdown at the end of the year!

PEPP, Brexit Deal or No-Deal, Lockdown Light and hard: A whole bunch of Anglicisms, which shows us that there is a lot going on out there at the end of the year. The headline number of decisions, and therefore news, is increasing. While retailers are beading with sweat from worry about the all-important Christmas business, the capital markets are still staying cool. The weekend indication on the DAX® behaves Sunday noon at least unexcited even slightly positive. The special year 2020 leans so slowly towards the end. From a euro investor perspective, not many asset classes or major indices have made it into positive territory so far (see chart 1). The crisis currency gold and the "safe haven" German government bonds once again turned out to be crisis winners.



As expected, the ECB reacted in its December central bank meeting last Thursday. The crisis program PEPP (Pandemic Emergency Purchase Programme) was increased by another € 500 billion to € 1.85 trillion. Thus, the ECB continues to buy as if there is no tomorrow, which of course affects interest rates. Chart 2 shows us how yields on German government bonds are moving further south across all maturities.



The stock markets, and thus also the DAX® price index (chart 3), ran out of steam somewhat last week. As already suspected in the last commentary, the index was not yet able to



overcome the hurdle at 5,800 points. Technically, not much china has been smashed yet. Therefore, it remains with the assessment: "The current supports are on the 200w line at currently 5,615 and the 38.2% Fibonacci line at 5,578. A break would probably lead to the closing of the GAP at 5,461 points. From there, the situation should be cleared again to make a new attempt towards the north."

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