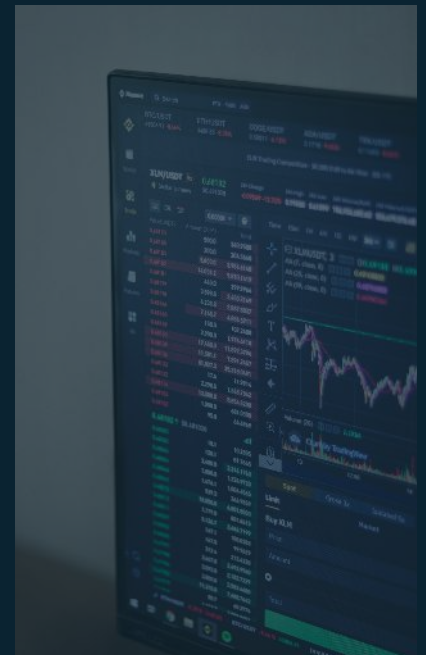


Chart-in-Focus

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Stock Is
Confirming
A Trend
Reversal

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Services At A Glance

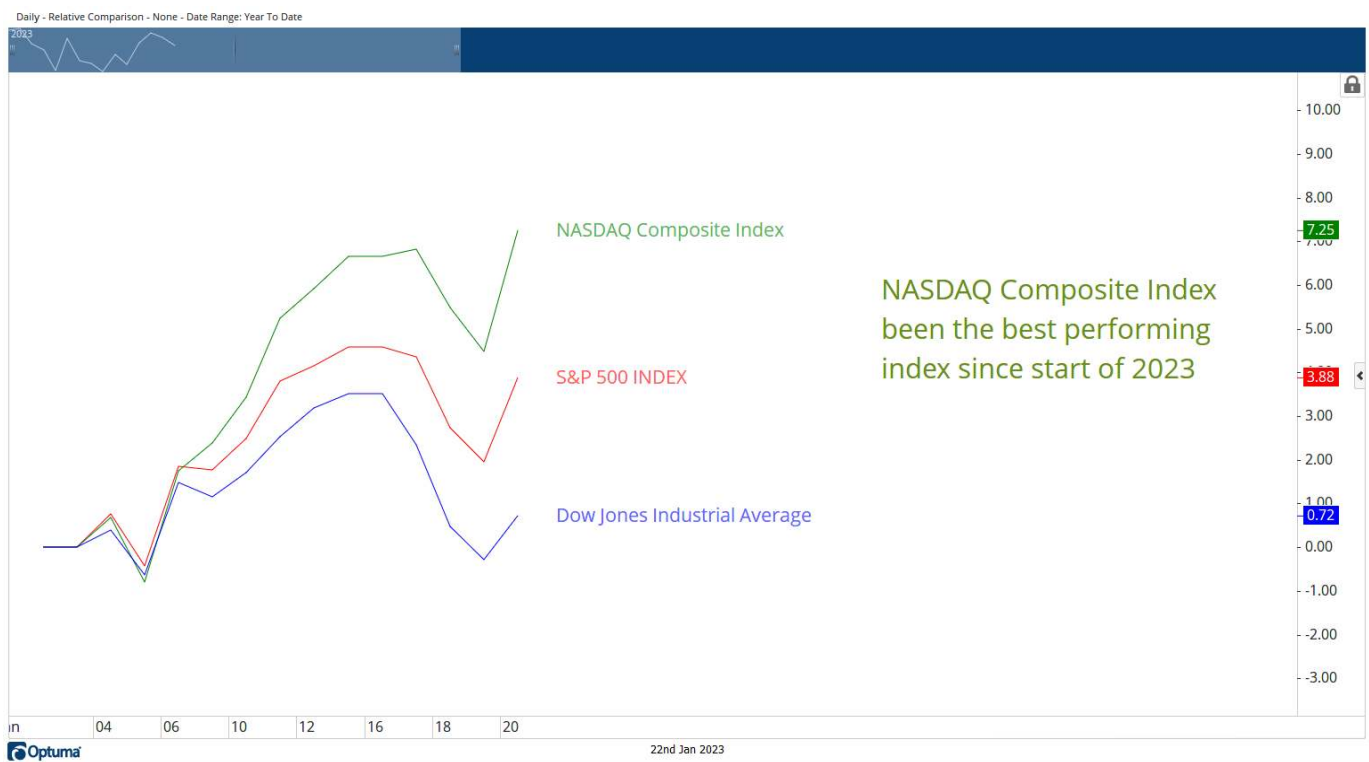
1. Gold (XAUUSD) Trading Signals - <https://www.chartwizard.ae/trading-signals-for-gold/>
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Chart-in-Focus: This Tech Stock Is Confirming A Trend Reversal

By and large, 2023 has started off for the equities on a stable note. The previous year was by far quite turbulent without any dispute. The technology stocks had a greatly difficult existence in the previous year but this year it has seen a decent start. In fact, NASDAQ has been the best performer among the three key indices. While the broad market S&P 500 index has gained 3.88% on a YTD basis, Dow Jones Industrial Average has stayed flat gaining just 0.72%. However, over the same time frame, the technology bellwether index, NASDAQ Composite has gained 7.25% over the same period.



Many good quality stocks have underperformed the broader markets over the past months. They have relatively underperformed not only the Index they have been a constituent of, but also the broader S&P500 Index. Such stocks have either started to rise now or at least they have thrown strong signs indicating that a bottom may be in place for them. Strong technical signs have emerged on the charts indicating a strong potential of upward revision of price over the near term in such stocks. This technology stock is one such example. It shows strong signs of a trend reversal taking shape.

Alphabet, INC. (GOOG) has been under a corrective decline after marking its high point near 151 levels in November 2021. All through 2022, the stock remained under a broad decline and retraced over 44% from its peak before finding its bottom near 85 in November 2022.

Currently, this stock is showing strong signs of a confirmation of a potential reversal of the trend.



The stock has grossly underperformed the broader market in 2022. Following marking of its high near 151 in last quarter of 2021, the stock remained under corrective decline until December of 2022. This 13-month corrective decline has seen the stock losing over 44% of its value.

The stock first marked a low point near 85-86 levels in November 2022; the stock consolidated in a defined range and this level was tested again in December last year which saw the stock trying hard to put a potential bottom in place for itself and make a strong attempt to reverse the downtrend. The other technical pieces of evidence present on the charts support this price action. The recent price move has seen the stock crossing above its 200-Week MA which is currently placed at 95.76.

During the last phase of decline, the RSI has shown a strong bullish divergence against the price. While the price formed lower bottoms, the RSI did not and this led to a strong bullish divergence against the price. The RSI is also seen breaking out of an area pattern much ahead of the price which is very bullish. The indicator has also formed a fresh 14-period high.

The weekly MACD has shown a positive crossover; it is now bullish and trades above the signal line. The RS line against the broader markets is showing strong improvement; the stock is about to roll inside the improving quadrant of the RRG and this would mean a likely end to its phase of relative underperformance.

If the reversal of the trend is confirmed on the anticipated lines, the stock has the potential to stage a strong technical pullback and test 122 to 125 levels over the coming weeks. Any close below 83 would negate this technical setup.

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