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## Dow Jones Industrial Average 30

25,803.19 pts

[Bloomberg Ticker: INDU:IND]

### Graph Analysis and Technical View

Dow Jones Industrials appears to be in the midst of a historic run not dissimilar to past (non-stop) rallies of the 1980s (1987?) or even 1920s (1929?). The correction-less advance has been going on since the US Presidential election of November 2016 without signs of ending anytime soon. The technical condition of the market, however, is extremely overbought anyway we look at it. Therefore, and despite the euphoric rise, one should be very careful at these lofty levels from both technical and fundamental perspective.

The index is extremely stretched above almost all moving averages. As of this writing the index is almost 12% above its 200-day moving average, a rare event. In the near-term as long as the **25,000** level remains intact, this blow-off type of advance is still extending. Once below the late December low (at **24,750**), but more importantly below **24,100**, one could conclude that the historic rally may have finished its run.

A deeper correction could start any day given these extreme readings. Technically, we have witnessed such extremely overbought events to happen very rarely and the outcome after the rise ends is a very common one: a **steep correction**. As the index and the whole US equity market is in all-time-high territories for the past few months there is no formidable resistance at these levels. We expect a pullback to commence soon as the rate of ascend is warning us of a potential exhaustive move underway. Only a close below **24,100** would signal a more protracted corrective decline or something more sinister.

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Dow Jones Industrial Average since July 2017

