Since placing the bottom of 1017.75 on November 21, 2008, the index started a bullish wave that has been organized inside an ascending wave. This bullish channel is still controlling the movements until now as seen on the provided chart below.

SMA 50 succeeded in carrying this bullishness from below, adding very solid support to the aforesaid upside wave, which is initially targeting 2700.00 zones ideally affected by trading inside our caught channel.

When we were looking for the technical factors that stood behind the movements of the index inside this channel, we noticed that it stopped temporarily on April 26 at 2058.00 to complete some kind of correction.

This correction was limited around 38.2% Fibonacci retracement for the wave from the above mentioned bottom to the temporal top, and after that it resumed the bullish trip, particularly after touching the support line of the ascending channel.

The most important factor in determining the medium term trend and supporting the expected

additional bullishness is breaching the pivotal resistance levels around 2055.00, where it represents the neckline for a bullish pattern confirmed by the series of positive daily and weekly closings above it, supporting our bullish overview.

On the other hand, Stochastic is showing clear overbought signs which might restrict surpassing the current top at 2197.75; where this resistance area managed to halt the previous upside move on November 09.

To conclude, we believe that index will be able to resume the bullishness inside the main ascending channel, targeting 2700.00, supported by the above discussed technical factors. On the other hand, a breakout below 2083.00 will bring additional bearishness towards 2055.00 followed by retesting the support for the main ascending channel around 1940.00, which is considered as the last defensive level and it should hold to protect the expected bullishness.

Though we favor the bullishness to continue, there could be a chance that suggests another trend possibility that is based on the chart below:

This opposite overview depends on that the entire upside move from the recorded bottom of 1017.00 to current levels is just a retest for the long-term breached support which turned into resistance at 2200.00, which is very sensitive point.

Adding to that, trading is trapped within a rising wedge pattern -continuation pattern- adding further negative pressure on the index which might cause the breach of the medium term support at 1940.00, which meets with the support for the rising wedge.

This breakout may send the index towards 1755.00, followed by 1485.00. This bearish outlook is also supported with the negativity on momentum indicators over daily and weekly charts.

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