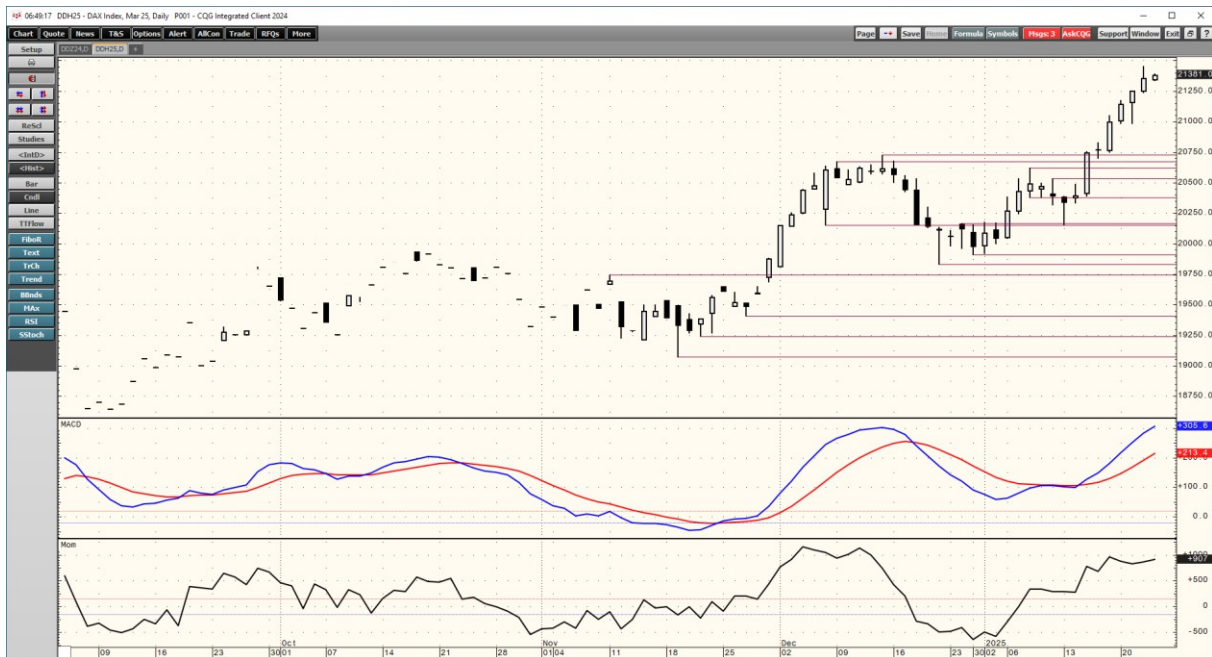


Morning Commentary for January 23, 2025

Good morning,

I believe it is undisputed that the markets are in a state of emergency to a certain extent in view of the existing uncertainties as to how the major decisions in US politics will now be made. The focus of the markets remains on the inauguration and statements that Trump will make on topics such as tariffs, taxes, trade, deregulation and the like. It is interesting to see how the interpretations of his statements diverge in trade. The mood among market participants ranges from bullish interpretations to very bearish assessments and yet we have not yet seen any significant activity that would trigger an urgently needed reaction on the stock markets, at least from a technical perspective.

On Tuesday, according to the press, Trump had signaled that he would proceed cautiously with the tariffs - one of his first orders states that the US will review its trade policy instead of immediately imposing new tariffs on trade. This continues to ease tensions, given the huge fears beforehand, but - it is said - that could change quickly, as the order also lays the groundwork for later action. Today, Thursday, will be another exciting day in this respect, as Trump will be speaking at the World Economic Forum in Davos via digital link-up. His positions on tariffs and the AI sector are therefore eagerly awaited. It is said that Trump will give a speech as well as hold a discussion with WEF President Brende.



FDAX March contract daily chart

We can therefore assume that the mood in the markets is tense to the extreme. From a technical perspective, the FDAX reached a new historic high of 21,454 points in yesterday's trading, and the US indices also continued to rise on Wednesday. The future on the DAX thus remains in its upward trend, the market's technical overheating (and thus also the statistical deviation from NORMAL) also continues. The underlying directional filters continue to indicate a clear long-set-up, the momentum signals a high movement momentum, although the increase is clearly slowing down compared to the price trend.

Yesterday, the price development in the FDAX in terms of order flow was different from the previous days, especially in the second half of the day. Here we saw markdowns, which were approached with less consistency in the buyback, which is also reflected in yesterday's daily candle for the first time (within the current upward momentum) in the formation of a somewhat more pronounced wick. Nevertheless, we must be careful not to read too much into the development of the candles.

It is highly likely that today will be an exciting day and perhaps it could set the course for Trump's speech in Davos - on both sides, although we must bear in mind that, despite the inability of the sell-side to date, the trees do not grow to the sky.

With regard to yesterday's new all-time high, I am again adjusting the correction potential and thus the reaction targets:

Minimum correction: 21.024 / 20.958

Normal correction: 20.802

Maximum correction: 20.646 / 20.594

On the economic side, the index of leading indicators for December was published yesterday. As expected, it fell by 0.1%. The reporting season also continued.

I wish us all a successful trading day! Uwe Wagner

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