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STOCKS NEWS EUROPE-STOXX 600 on its way to 297 pts - DayByDay



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The broad STOXX Europe 600 benchmark share index, which hit its highest level since mid-2008 on Tuesday morning after breaking above a key resistance level, is heading for 297, says Valerie Gastaldy, head of Paris-based technical analysis firm Day By Day.

The target represents the projection of the index's recent trading range, she says.

"The index consolidated just below the 2011 high in a 7-point range, before breaking above it today. Projecting this range on the upside gives the index a target of 297 points."

"The recent pullbacks that we've seen all ended with bear traps. It seems that this time is no different."

The recent gains in world stocks has propelled both Wall Street's benchmarks Dow Jones (DJI: [^DJI - news](#)) industrial average and Standard & Poor's 500 Index to just a few points below their record highs hit in 2007, and Gastaldy says a break above these levels would confirm the rally.

"As long as the two indexes don't break above their peaks, there are still bears out there shorting the market, but once these levels are crossed, the shorts will be forced to cover their positions, which could accelerate the rise," Gastaldy says.

At 1230 GMT, the STOXX Europe 600 index trades at 292.53 points, up 1.3 percent on the day. Gastaldy recommends placing a stop loss at 289.86, which represents the top of an upside gap opened on Tuesday morning.

Reuters Messaging: blaise.robinson.thomsonreuters.com@reuters.net

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