

» [Print](#)

This copy is for your personal, non-commercial use only.

STOCKS NEWS EUROPE-DAX's outperformance is over -Day by Day

Tue, Aug 16 2011

The outperformance of German stocks [.GDAXI](#) has come to an end and UK shares [.FTSE](#) could take the lead in the coming months, says Valerie Gastaldy, head of Paris-based technical analysis firm Day By Day.

"The market has long been carried by some ultra-resistant sectors: industrials, consumer goods, chemicals and automotive. Germany clearly benefited from this brilliant journey," she says.

"We now notice a set of signals on sectoral relative strengths that are consistent with a prolonged weakness of the DAX in the coming months ... The relative strength of the industrial sector is now forming a reversal pattern. Germany will therefore cease to be the country that attracts capital in Europe. The winners of this under-performance might be the UK stocks."

The DAX is down more than 17 percent this month, on track for its biggest monthly percentage loss since September 2002.

"The ratio of the MSCI Great Britain [.MSCIGB](#) versus the MSCI Europe [.MSCIEU](#) builds a quality bullish reversal, validated in stages. The 200-week moving average is now a support, and the MACD keeps its upside potential," Gastaldy says.

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

rm://dominic.lau.thomsonreuters.com@reuters.net

© Thomson Reuters 2011. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

This copy is for your personal, non-commercial use only.