

INSURANCE sector: upside potential

Mid-December, the Insurance sector gave a bullish signal by the overflowing 260.58, the 2016 high. Prices then entered a sideways consolidation. yet, many components are well oriented.

We highlight ALLIANZ, AXA and OLD MUTUAL in trend following strategies and GENERALI, weaker but with a good timing.

■ **INSURANCE (STXE600), Weekly**



The Stoxx 600 Insurance sector is in a bullish trend since the overflow of the last descending peak at 260.58. The pullback on this level, turned support and reinforced by the 38% ratio, confirmed the trend.

Despite overbought indicators (not displayed on this chart), a new impulsive leg is expected toward 308.60 for the months to come.

Only a break below 260.58 would damage this ascending trend in the short term.

■ **INSURANCE vs. STOXX600, Weekly**



The Sept. 2011 - Jan. 2016 over performance of the Stoxx 600 Insurance sector versus the Stoxx 600 has been retraced deeply. The bounce on the 50% ratio is clear: a new bullish leg is in place. We aim at the major resistance at 0.7970. Above this level, a new bullish potential will be released toward 0.90. But this is an other story.

■ **ALLIANZ, Weekly**



Three weeks ago, ALLIANZ broke out of a medium term rectangle: this event allows a new bullish potential towards 187.59 and then 200.77, 2001 resistances.

The previous ascending high at 155.40 is the short term invalidation level.

■ **ALLIANZ SE-REG vs. INSURANCE, Weekly**



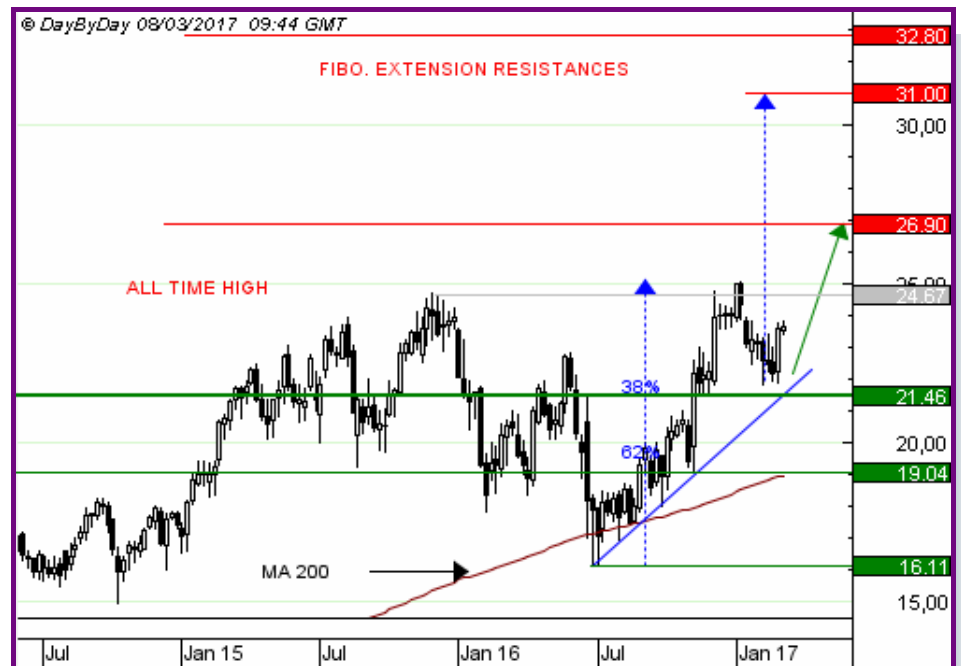
Against its sector, ALLIANZ is in a secular out-performance trend. Recently, this ratio broke out from an ascending channel: this signals an acceleration of the over performance. The theoretical target is at 0.7368 and the stop loss below 0.5809.

■ **ALLIANZ SE-REG vs. STOXX600, Weekly**



Since 2009, ALLIANZ vs the Stoxx 600 is in a bullish trend, reinforced by the 100-week MA. In 2016, this ratio accelerated. Previous highs turned into supports. This well-constructed trend should extend towards 0.5072.

■ AXA, Weekly



After an erratic consolidation throughout 2015 and 2016, AXA joined a new high at the beginning of 2017. This move is now considered as impulsive.

It has been retraced recently by the pull back on the €21.46 major support. The trend should resume soon towards €26.90.

■ AXA vs. INSURANCE, Weekly



Axa Vs its sector, is, on this weekly timeframe, slowly bullish. The excess above 0.0886 has provoked a strong bearish reaction but it seems over now .

This bullish trend is not one of the strongest but we can expect some over performance to come.

■ AXA vs. STOXX600, Weekly



Against the Stoxx 600, AXA has a more powerful trend. A new all time high has been created early January and we can expect a new high in the coming weeks.

■ GENERALI ASSICURAZIONI, Weekly



GENERALI is not one of the strongest trend but the timing is really good. The pull back on €13.30, highest threshold of the rectangle, offers a high risk/reward ratio.

■ **OLD MUTUAL PLC, Weekly**



Old Mutual is just giving a strong mid-term signal by the overflow of the 223.85p major resistance. With bullish relative strength against its sector or the Stoxx600, this new all time high gives a new acceleration potential towards 256.60p and then 285.80p.

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