

KOSPI, KOREA

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The KOSPI breakout above 2040 moved quickly to achieve the trade band projection target of 2180. Now we are seeing a retreat and retest of 2040 as a support level. This is the first genuine breakout of the KOSPI since February 2012. This is a major breakout from the sideways trading band that has prevailed for nearly three years. This is a sustained fast moving rally which is developing into a sustainable uptrend.

The KOSPI has been a directionless sideways market for three years. This sideways behavior has been broken with this breakout above 2040. There is now good evidence of long term trending behavior. The long term trend is confirmed when the lower edge of the long term GMMMA moves above 2040.



SUBJECT SUMMARY

INDEX NOTES

Each week we carry index analysis notes for regional markets. These are the markets in Singapore, Malaysia, Hong Kong, Shanghai, Thailand, Taiwan and Korea. Each market is covered once every six weeks or more often if there are significant market developments. The objective of the notes is to provide an analytical, technical background to assist readers in making better trading