

# **STI STRUGGLES WITH RESISTANCE**

*By Daryl Guppy*

The Straits Times Index has developed a good bullish trend. It is challenging the high at 3645 but has been unable to move above this level. A breakout above this level is very bullish. The longer term GMMA continues with good separation so the general trend direction remains bullish.

The trend line on the STI uses the primary low points. It is a long distance away from the current index activity and this leaves room for a substantial fall for any retreats to the trend line. This is a minor concern, but it cannot be ignored.

The index is above the upper edge of the long term GMMA. The upper edge of the long term GMMA provides good support. It is also near the old resistance level of 3365 and this adds extra support. This is the strongest uptrend in the STI seen for several years.

