

STI TREND CHANGE

By Daryl Guppy

Support at 3250 is the critical figure for the Straits Times Index. Failure of this level brings the market down to 3150. The STI has been moribund since the beginning of 2013, moving in a range form 3000 to 3450. The uptrend starting February 2014 has been broken and the long term uptrend line is now acting as a resistance level. The rebound has found strong resistance near 3350. This is a combination of resistance features. The long term GMMA has compressed and turned down. This is a bearish feature. If this trend line fails then the next support level is near 3250. This is a long term support level. Failure of this level is very bearish.

