

## **TAIEX, TAIWAN**

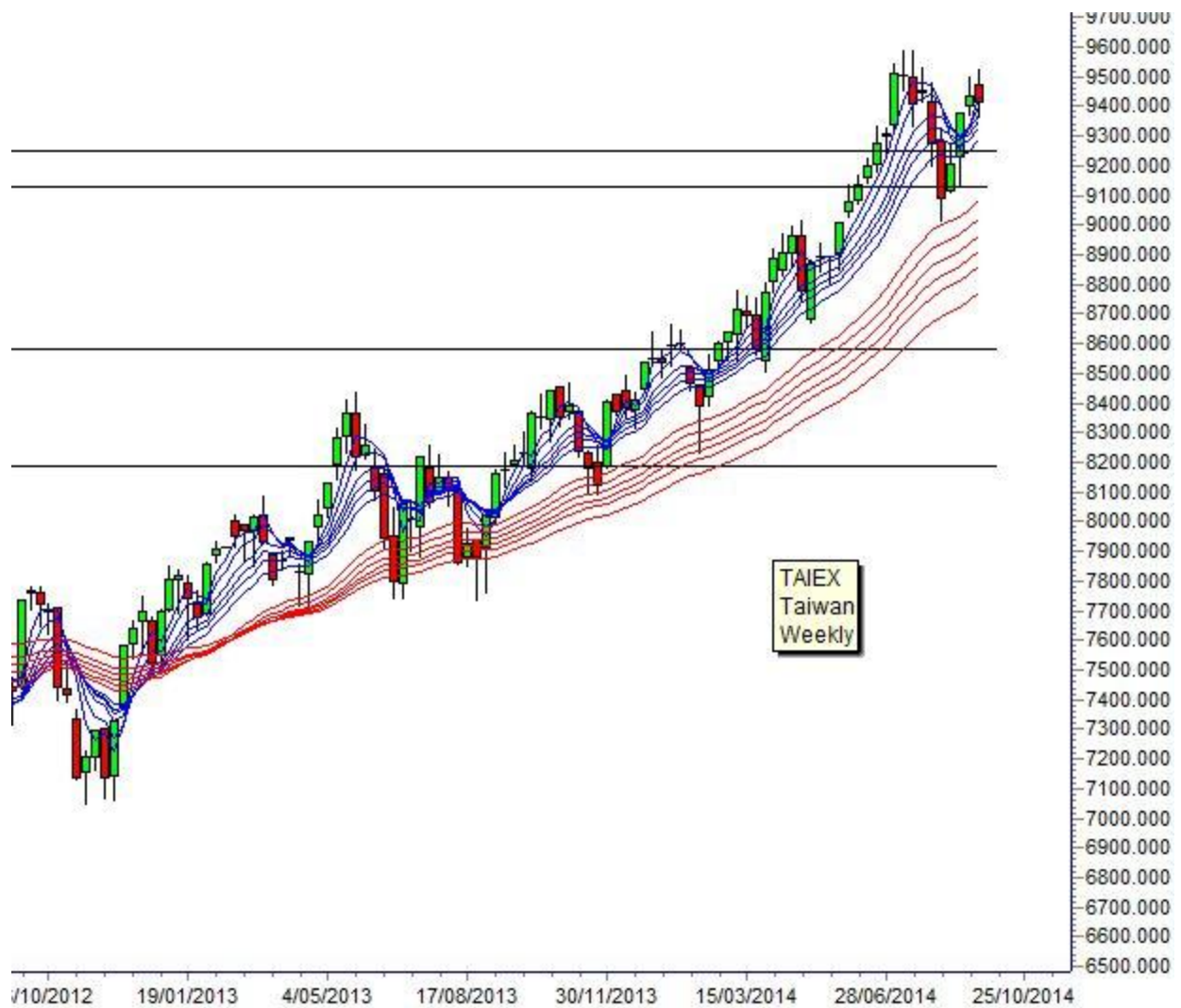
*By Daryl Guppy*

The Taiex continues with a steady sustainable uptrend. The retreat used 9100 as the support level and the rebound is retesting the previous highs. The retreat did not cause a compression in the long term GMMA and this shows the strength of the underlying trend. The breakout above 8600 developed strongly. The immediate up side target was near 9100 and this was exceeded. The breakout trend was confirmed when the lower edge of the short term GMMA moved above the upper edge of the long term GMMA. This developed and has successfully tested the long term GMMA as a support level.

The breakout above 9300 is a strong bullish continuation of the trend. Any retreat will use the 9300 level as a support level. This will be an entry opportunity.

The width of the trading and is measured and projected upwards. This gives a technical target near 9700 to 9800.

The Taiex is defined with trading bands. At the upper and lower level of each trading band there is a small consolidation band. The move above the wide support trading band between 7000 and 7400 can move to the next trading band resistance between 8200 and 8600. Then between 8600 and 9100.



## **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 and investment decisions.