

ITS AN UGLY SINGAPORE MARKET

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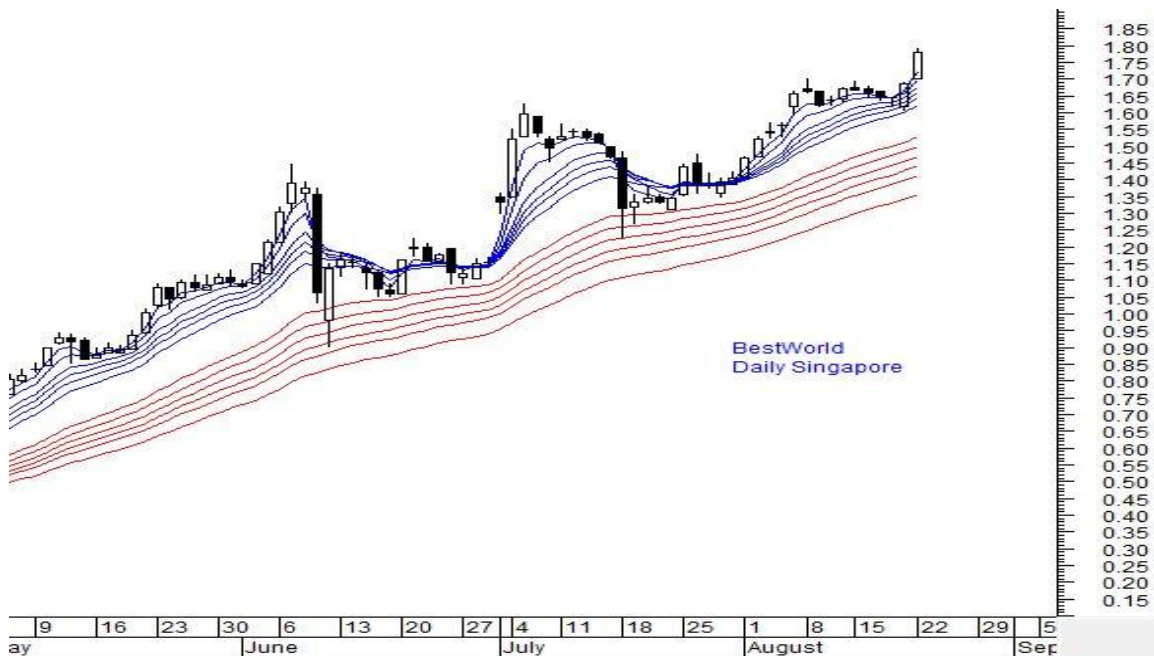
Lets be honest - this is a terrible market. We used the scan for speculative stocks detailed in another article in the newsletter. The highlights are:

- Many many stocks in the 0% to 2% range. This shows a dead market
- Many very high% gains form warrants. These instruments do offer opportunity, but they require a different style of management.
- In the mid ranges of performance most of the stocks were untouchable, or untradeable. The price activity was erratic and the trend behaviour terrible. Trading these patterns is a high risk proposition.

We found 6 potential candidates in the scan. For portfolio purposes we add two of these as examples of how these are traded.

TRADING THE TREND REBOUND

We add BestWorld as an example of this method. The long term GMMA is well separated showing a steady trend. Price uses the lower edge of the short term GMMA as a rebound support point. We apply the standard GMMA analysis methods discussed in previous newsletters.



For case study purposes the entry is taken at \$1.62 as the rebound rally develops. We add 12,346 shares for a 20,000 position. Stop loss is at \$1.59 and puts \$370 at risk, or less than 0.44% of total trade portfolio. Initial target is near \$1.90.

Stock code	BESTWORLD
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
Average entry price	1.62
Stop loss	1.59
Cost of trade	20,000.00
Number of shares buy	12,346
Loss if sell at stop loss	370.37
Risk % of total investment pool money	0.37%
Planned Profit exit price	1.900
Profit	3,456.79
Trade profit %	17.28%

TRADING RALLY REBOUNDS

CNMC Goldmine is an example of trading sharp rebounds following a rally consolidation. This is a rally rebound trade.



For case study purposes the entry is taken at \$0.53 as the rebound rally develops. We add 37,736 shares for a 20,000 position. Stop loss is at \$0.51 and puts \$754 at risk, or less than 0.7% of total trade portfolio. Initial target is near \$1.90.

Stock code	CNMC Goldmine
Total investment pool money in account	100,000
Your investment risk for this trade	2,000
Average entry price	0.53
Stop loss	0.51
Cost of trade	20,000.00
Number of shares buy	37,736
Loss if sell at stop loss	754.72
Risk % of total investment pool money	0.75%
Planned Profit exit price	0.620
Profit	3,396.23
Trade profit %	16.98%