

KOSPI, KOREA

By Daryl Guppy

The KOSPI has reacted strongly away from the resistance band. The breakout above 2065 failed to develop and the KOSPI has returned to the pattern or trading band behavior. The second resistance line near 2065 was powerful and created a retreat in the KOSPI. The gap down fall was matched by a rapid rebound rally which failed and has been followed by a sustained decline.

To be convinced the KOSPI breakout was a genuine trend break we need to see a weekly close above 2065 and this did not occur.



The breakout from the prolonged sideways trading band is very important if it can develop. The long term GMMA is compressing and turning downwards.

The short term GMMA has turned down and is well separated and shows strong downtrend trend continuation.

The KOSPI has traded in sideways trading band and looks now ready to retest the lower edges of this band near 1900.