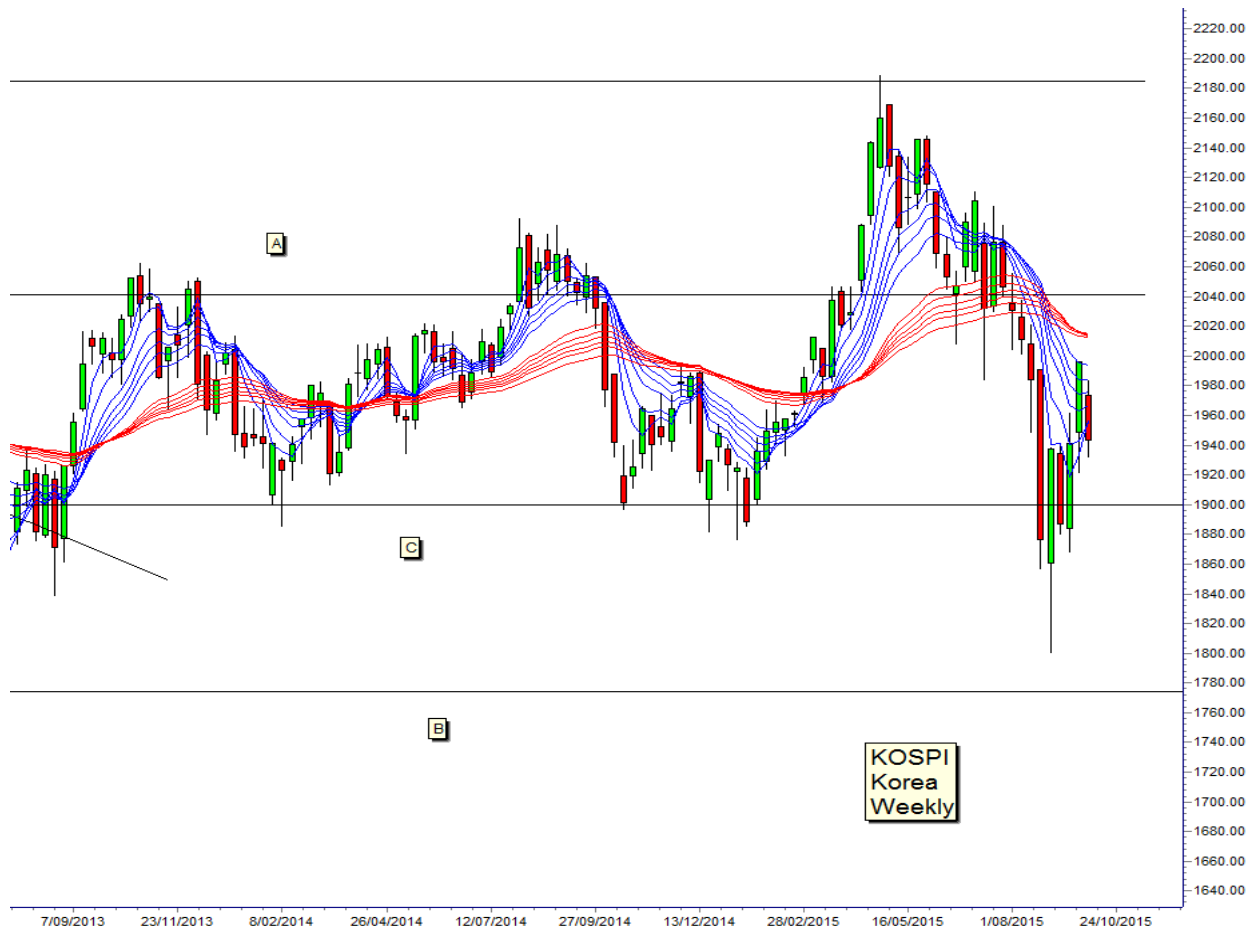


KOSPI, KOREA

By Daryl Guppy

THE KOSPI has returned to the long term sideways trading band between 2900 and 2040. The KOSPI has developed a doji reversal day with a string rally above 1900. This is not directional trading. This market remains best for rally and retreat trading. General market pressure is bearish.



The KOSPI has been a directionless sideways market for three years. This sideways behavior was broken temporarily with a breakout above 2040. The long term trend was not confirmed because the lower edge of the long term GMMA was unable to move above 2040.

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.