

SANTA RALLY GOES ELSEWHERE

As noted last week, the probability is that the Santa rally will not come to Singapore. This week's fall towards 2840 on the STI seems to confirm that. However, Santa does visit other markets.

The annual Christmas rally is a lifesaver for some investors and very useful for many traders. The thinking is that the market reaches a low sometime in October and then develops strong rally leading into December and extending into January. It's true that this effect is seen consistently in some markets.

DOW SANTA



The Dow has a consistent history of rising around 5% in the weeks starting Nov 1 and ending December 27. These are bracketed on the chart. It's not a straight buy and hold as there are substantial retracements in 2011, 2012 and 2014. It's not a smooth idea, but in general Santa does deliver a Christmas rally.