

# **STRAITS TIMES INDEX, SINGAPORE**

*By Daryl Guppy*

It is critical that the STI find consolidation near 2700. With a sustained fall of this magnitude it's possible the index will overshoot 2700, but a consolidation pattern should emerge near this level. A sustained fall below 2700 has a weak downside target near 2500. Historically the next strong support level is near 2200.

This remains a strong bear market with strong downwards momentum. The fall below the uptrend line signaled a major change in the trend. The strong historical support level near 3250 was ineffective. The market fell quickly below this level. There is minor support near 3150 but this failed. Long term historical support is near 3050 and this also failed. The next downside support is near 2700. Traders wait and watch for the development of consolidation patterns.

