

STRAITS TIMES INDEX, SINGAPORE

By Daryl Guppy

The downward pressure on the index remains very strong and the index has moved below the lower edge of the long term GMMA. The long term GMMA is well separated and is now moving downwards again.

The combination of the upper edge of the long term GMMA and the resistance level near 2950 has again overpowered the market.

The key feature in a potential trend breakout was the second test of the upper edge of the long term averages in the Guppy Multiple Moving Average indicator. This failed and the market retreated.

The key problems remain. They are:

- The resistance level near 2960. This is a significant barrier.
- The expansion of the long term GMMA. This shows a resumption of the downtrend.
- The GMMA relationships. The long term GMMA is well separated.
- The short term GMMA has turned down. Confirming the downtrend pressure.
- Support is near 2720.

The conclusion is that traders are ready to go short.

