

STRAITS TIMES INDEX, SINGAPORE

By Daryl Guppy

The STI came within a whisker of the first downside target near 2500. This is an exceptionally severe downtrend. Next stop below 2500 is 2350. This is a real possibility with no indication of a weakening of the downtrend.

The reaction rally will encounter resistance near 2700. This remains an exceptionally strong downtrend. Long side trading opportunities are short term trades.

Support at 2700 has been tested and found wanting in the Straits Times Index. There is no end of downtrend pattern developing. The fall below 2700 has an initial support target near 2500.

The long term GMMA is well separated showing continued strong selling in this market. This is a severe downtrend where traders will short any rallies.

