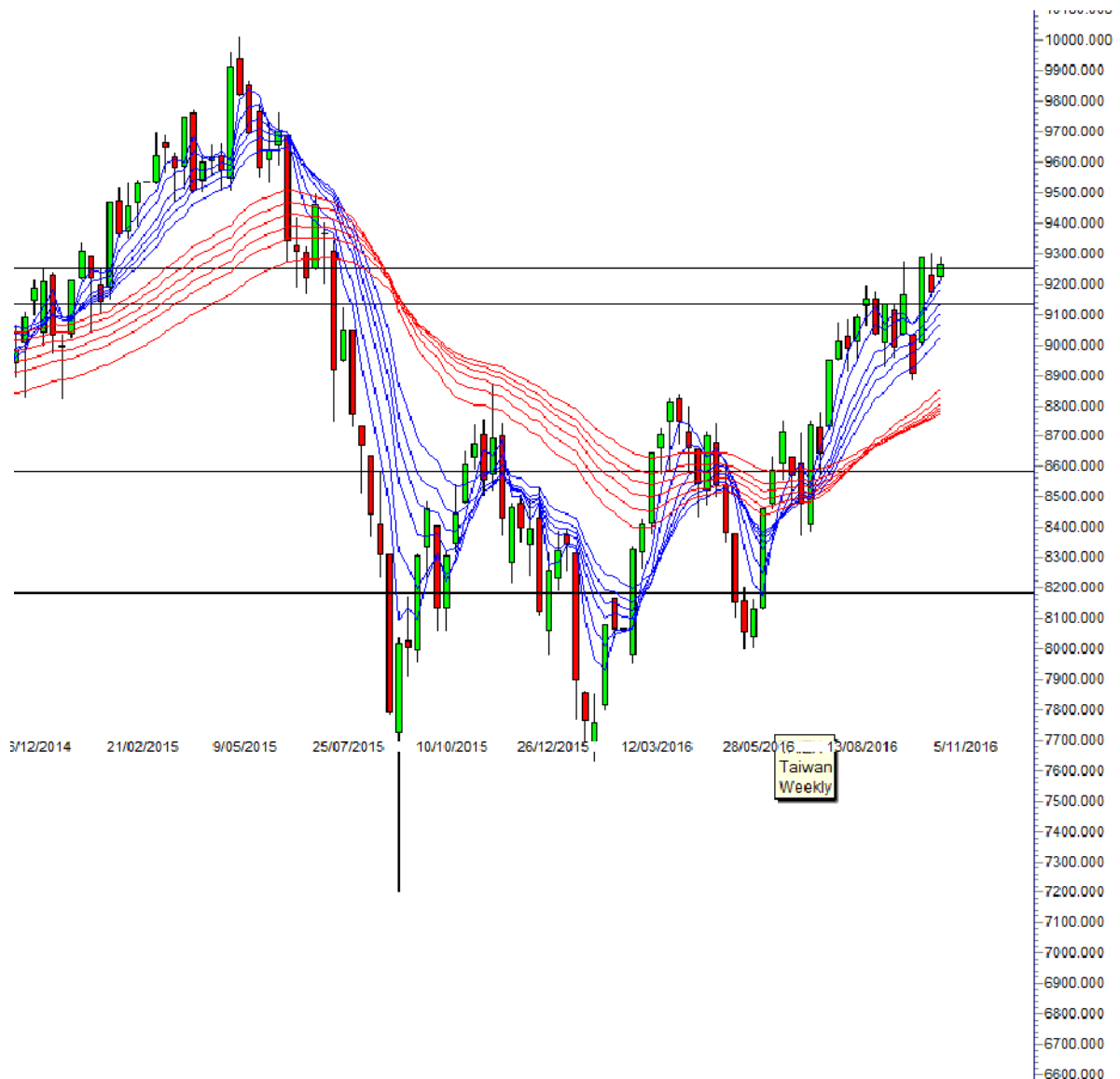


TAIEX, TAIWAN

By Daryl Guppy

The Tiaex has moved above the upside target resistance band between 9100 and 9250 was achieved. The rebound rally above 8600 and the breakout above 9250 remains well supported by the GMMA relationships. This has the characteristics of a trend change. The retreat and rebound pattern has developed.

Support is near 8800 which is a little below the lower edge of the short term GMMA. Traders bought the rally move above 9100. Upside target is near 9800.



The key features on this chart are:

- The GMMA relationships. The long term GMMA has compressed, turned up and is now beginning to slowly expand.
- The short term GMMA is well separated and has provided support for the rally consolidation.
- Minor support near 8800 and this has been the base for a rally retest of resistance near 9100.

Traders are watching for a continuation of the uptrend towards 9800.

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.

