

UNTRUSTWORTHY RALLY

We do not trust this rally. The market is suited for very short term trades. These are best taken at an index level. But if traders are doing this, then it makes more sense to broaden the horizon and trade other indexes, commodities and FX where trend are clearer.

There are three parts to the solution to surviving in these market conditions. . The first part is to wait until there are clear signals of a market bottom and trend reversal. That's covered in our weekly Index notes.

The second part is to move to short term trading of indexes and equities using CFDs. This leverages the returns and reduces the time frame. It is active trading and requires free time during market hours. We know this does not suit many of our readers who are part time traders.

The third part of the solution is to shift attention to different leveraged markets which trade outside of Singapore working hours. That's the FX market and its one of the reasons for our 18 month focus on developing suitable techniques for trading these markets.

