

STI RALLY SLOWS

By Daryl Guppy

The Straits Times Index breakout above 3380 is slowly continuing. There is resistance near 3450. The breakout is on the back of a slow moving uptrend. It is difficult to define the uptrend.

The trend line uses the primary low points. It is a long distance away from the current index activity and this leaves room for a substantial fall for any retreats of the trend line. The index is also well above the upper edge of the long term GMMA. This also opens the potential for a substantial fall similar to the fall seen in October 2014.

These factors suggests this is a rally rather than a trend. Traders will tighten stops to protect profits.

We continue to trade where there is consistent and deep liquidity. This means index trading and trading currencies. We use the ANTSSYS system for this and we will continue to show how this is applied. Traders using the Oanda platform have ready access to the ANTSSYS indicators.

