

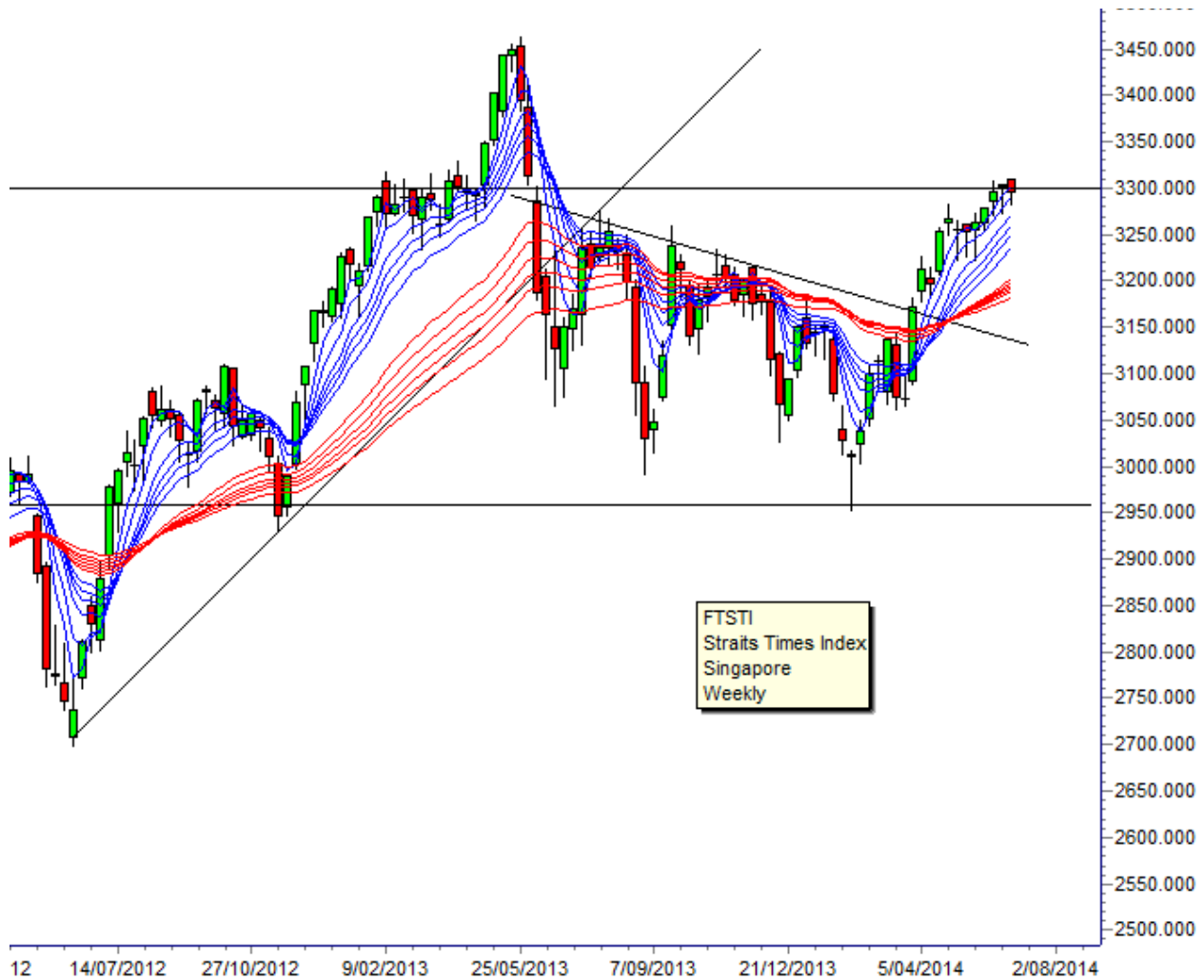
# STRAITS TIMES INDEX, SINGAPORE

By Daryl Guppy

The Straits Times Index strong breakout above the value of the downtrend line near 3150 continues. There is strong historical resistance near 3300 and the index is consolidating near this level. This behaviour was seen in February to April 2013 when the index consolidated between 3250 and 3300.

The GMMA shows a developing strong trend with good separation in the short term GMMA. The long term GMMA is also beginning to separate. This is similar to the development of December 2012.

A breakout above 3300 can move rapidly to 3450 or a little higher. This target is based on the 2013 breakout above 3300. This is a single point and it has no historical resistance validity. Also this target is not calculated using a chart pattern projection method.



Currently this has the characteristics of a strong rally breakout rather than a change in the direction of the trend. However the consistency of the rally suggests

this may develop into a trend change. The nature of consolidation near 3300 will provide more evidence to determine the trend direction.

## **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.