

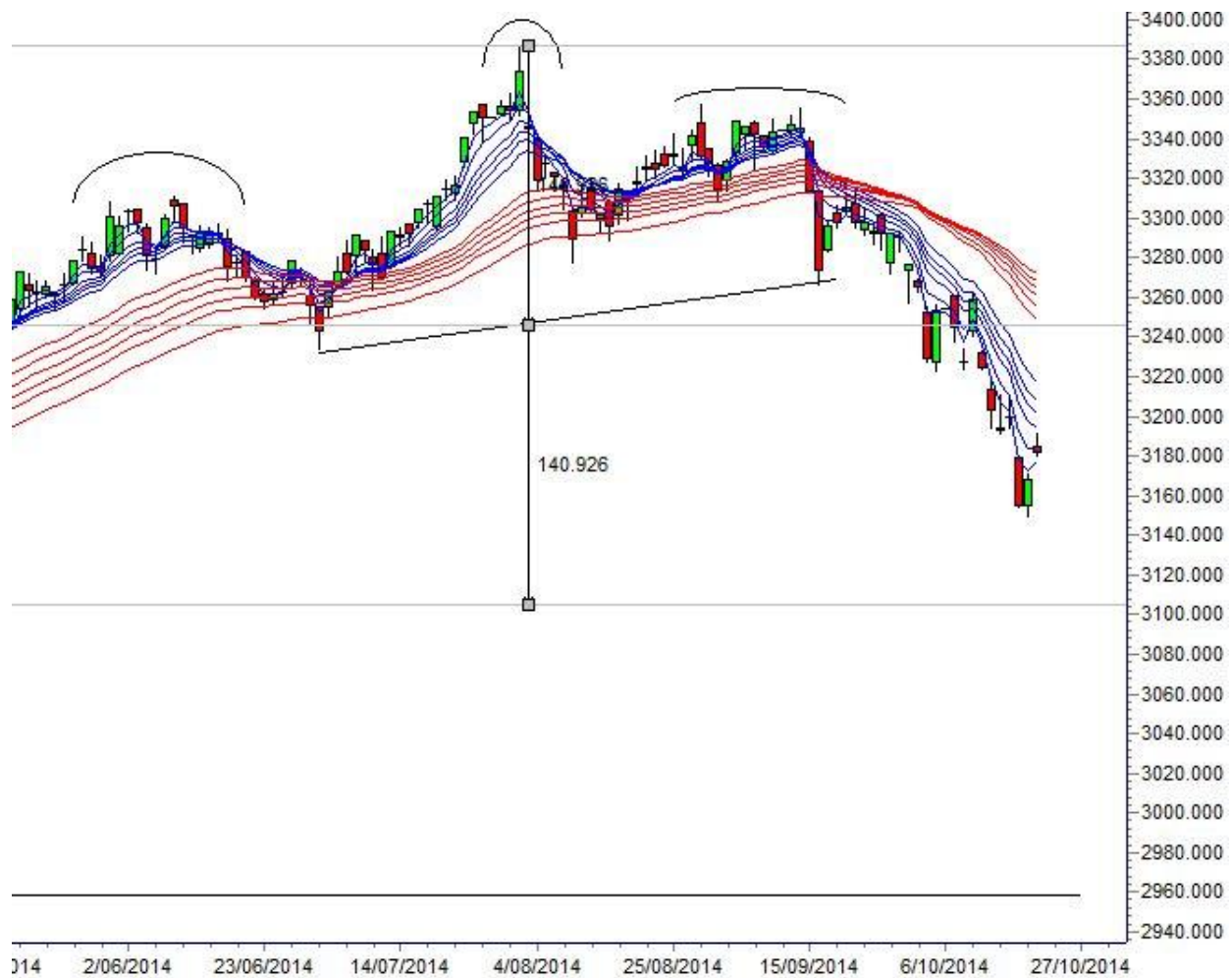
STRAITS TIMES INDEX, SINGAPORE

By Daryl Guppy

The Straits Times Index has confirmed a head and shoulder reversal pattern. The weak economic figures pushed this pattern into further development. The downside for the pattern is near 3110. This is a major change in the STI trend. The index has developed a weak rally, but this remains a very strong downtrend.

The GMMA shows a strong trend with good separation in the short term GMMA. The long term GMMA is also separated.

The move below the value of the neckline near 3280 was very bearish. The downside target is near 3100.



The downside target may be reached in a single sell-off day followed by a rapid rebound. This is typical October behaviour but it requires very brave trading. Traders watch for a move above 3220 before any strong potential for a trend change is confirmed.