On 5 Sept 2006, the Composite Index (CI) touched the high of 970 achieved in early May 2006 but could not get past this psychologically strong resistance level. It has since retraced significantly and broke the short-term uptrend line.

At this critical junction, we have to watch the ability of the CI to break this strong resistance level which is a 6 year historical high. Failure to break this resistance will see tests at support levels of 947 followed by 920.

**TA Bites**

MACD is a very popular indicator obtained by subtracting 2 moving averages of different periods. Most of you knew that, but did you know that a falling MACD may NOT mean that the price is falling but only that the upward momentum of the price is falling. This is why MACD divergence is so powerful in that it signals a change in price momentum before the actual price reversal.

**Events**

**September Highlights**

A Candlestick course to be conducted by leading candlestick trainer in Asia, **Robert Tay** will be launched in September.

For updates on our events, please visit: [http://www.chartnexus.com/events](http://www.chartnexus.com/events)