The last candlestick in the STI weekly chart formed with high upper shadow indicating that the bears managed to keep the index near its open for the week. Hence a bearish candlestick reversal may form if STI closes with a black candle in the coming week.

For the daily STI chart shown above, the index is currently resisted by the 61.8% Fibonacci retracement at 2518. In addition, there is a gap support from 2491 to 2500 which STI tested over the last 2 trading days.

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.

Bullish MACD line crossover with Signal line
- Brilliant
- MMP Reit
- Stamford Tyres
- Suntec Reit
- TAC 200US$

For those who are interested in top volume or other bullish/bearish technical signals, get XPertTrader to do that.

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