The chart above shows the performances of the different indices from the beginning of this year. It can be seen that the UOB Sesdaq index and the Property Index have performed very well. The worst performer is the manufacturing index. Will it play catch-up?

October Highlights

Catch our Technical Analysis course for October titled "Cracking the Stock Market Code", a one full day course that will arm you with a 4-step trading strategy checklist. This course is conducted by a qualified Research Analyst from OCBC Investment Research.

http://www.chartnexus.com/events

Disclaimer

All information provided in this newsletter is for educational purposes only and shall not be construed as an advisory service or market prediction. Please check with your authorised financial advisor for any financial advice.

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Volume Analysis

How important is volume in Technical Analysis?
The answer is VERY IMPORTANT in that volume confirms the price movement. Technical analysis is the analysis of how the aggregate behavior of all the market participants affects the direction of the stock market. Hence for the technical analysis of a particular stock to be accurate, we want to have significant amount of market players in so that their collective action can be analyzed. This is reflected in charts as "Volume". Take for example a breakout of a resistance level. For such a breakout, we would like to have it occurred with high volumes. This implies that a lot of investors are willing to buy above this resistance level hence giving us a breakout with volume confirmation. Some chartists have even placed the importance of volume higher than that of price with the saying "Volume precedes price movement"