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Chart Analysis



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.

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.

XPertTrader™ Corner

Interested to find out which are the top gainers last week or those who had a bullish MACD crossover?

You can use XPertTrader to scan the whole market for those stocks

Top Gainers Last Week

- DCIB
- DUNBUSH
- KLUANG
- LFECORP
- RHYTHM

Bullish MACD line crossover with Signal line

- EMAS
- IJM
- Permaju
- Sunrise
- YTLPOWER

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

By top volume, we mean high volume relative to the stock as for e.g. the high volume for DCIB is different from high volume for Sunrise.

Remember VOLUME PRECEDES PRICE!

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>