

Chart Analysis



STI price movement is currently dictated by the green uptrend line. Closing with a long black candle on last Friday 22 Sept, the index has a first support level at 2513 (made up of previous highs and the uptrend line) followed by a second support level at 2485. MACD is also showing a bearish divergence with a higher high in price failing to make a higher high in MACD

XPertTrader™ Corner

Have you ever felt clueless about what stocks to track and follow? Or have you ever wished that you can have a list of stocks that has possibly bottomed and ready to reverse? This week's XPertTrader Corner introduces a rule to screen for stocks with RSI and Stochastic indicators in oversold region. By theory, when a stock is in overstock region, it is poised for a rebound. It pays to watch these stocks for rebound actions. This rebound can be a continuation of its previous uptrend. The below stocks are generated by XPertTrader module using the Oversold Rule. For existing subscribers, this rule can be found at our XPertTrader Library at <http://www.chartnexus.com/xpl.php>. To import the rule into your XPertTrader, right-click on the rule and save onto your computer.

- AllcoReit
- Chartered
- Datacraft
- Ho Bee
- Midas
- PFood
- SingTel
- SIA Engg
- StarHub
- TPV

In each newsletter, we will showcase how you can set up rules in XPertTrader to screen the stock market for opportunities. XPertTrader's rules composer allows a trader to set up stock screening rules using more than 20 indicators and candlesticks formations. Visit our XPertTrader information page at <http://www.chartnexus.com/products/xpert-trader.php> for more details.

TA Bites

Oscillators in Trending Markets

Technical indicators such as RSI, MFI and Stochastic are oscillators, meaning that they oscillate between a maximum and minimum value. Generally when the stock is bullish, the oscillator moves up and when the stock is bearish, the oscillator moves down. Oversold and overbought conditions are defined when the oscillator moves below and upper a certain level respectively. For e.g., common levels for RSI are 30 and 70. If a stock moves below RSI level of 30, the stock is described in oversold condition and above RSI level of 70, the stock is described in overbought condition. However in a trending market, say a bullish market, the oscillator is expected to move and stay in the overbought region. Should you sell the stock as it is in the overbought region? The answer is a definite NO as doing so will prevent you from riding the trend. Hence, identify the trend before making use of an oscillator.

Events

September Highlights

Catch our last course for September titled "Technical Analysis: Get the Basics Right", a course designed specifically for users who want to get the right foundations in charting. Lots of chart practices will be provided by the trainer, encouraging learning through practice!!

<http://www.chartnexus.com/events>

Disclaimer

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