

# Technical Pulse



SINGAPORE | TECHNICAL ANALYSIS | UPDATE

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## Ascott Residence Trust (Current Price: \$1.03) - Technical SELL

Sell Spot: 1.03   Stop loss: 1.12   Take profit : 0.88



Source: Bloomberg, PSR

**Ascott Residence Trust (SGX: HMN)** has been on a roller coaster recovery phase with strong bullish upside on May 2020 and early November 2020. Based on the wave and technical analysis, Ascott is heading for one more round of downside correction before an upside rally to form wave ((C)).

### CHART LEGENDS

#### Moving Average

- Red dotted line = 200-day moving average
- Blue dotted line = 50-day moving average

1. The whole wave structure is a larger corrective ((A)), ((B)), ((C)) waves. As such if we dive into the sub-waves structure, we can see that there will be one more round of downside to support zone \$0.85-\$0.88 before rebounding to complete the last leg of wave ((C)).
2. Rising wedge formation couple with the evening star formation at the top base of the wedge is signalling a lack of bullish momentum and hence, prices is heading for a great fall. Another point worthy to note is that prices remain sluggish at 61.8% Fibonacci retracement level of the greater falling wedge of wave ((A))-((B)).
3. Declining volume and bearish divergence is a double whammy to the upside. As such, selling pressure is seen increasing.
4. Wave ((C)) target resistance zone is at 127.2% extension level of the falling wedge.

*\*Timeline of the trade is 4 weeks from the date issued.*

*\* Strategy play, long entrants may look out for potential reversal signals at the support zone \$0.85-\$0.88*

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