Technical Analysis: Singapore Stocks

2,500 remain supported but many attempts at this level weakens the support.

SG MARKETS | TECHNICAL PULSE UPDATE | TECHNICAL ANALYSIS

- Singapore’s stock market briefly made an attempt to rebound after the STI open below 2,500.
- However, the Straits Times Index fails to close above the Thursday low despite a bullish candle spotted. As such, the STI’s bullish sentiment may not be that strong.
- 2573.51-2,600 resistance zone remain the key level to determine STI’s make or break direction.

Price has been hovering around the 2,500 support for the past 2 months since its breaking out of the corrective ascending channel. As the 2,500 has been tested more than thrice without breaking the resistance zone of 2573.51-2,600, the probability of STI falling below 2,500 has thus increased.

Should it be broken, the Straits Times Index will see the low being tested at 2,346 in the near mid-term.
Despite the STI breaking out of the bearish flag, the index is currently ranging after a brief attempt lower on Friday’s open below 2,500. Despite a small bullish candle that reflects a desire to rebound on Friday’s close, the index remains well below Thursday’s low and as such, the index rebound if there is any, will not be a strong and prices is likely to be capped at 2573.51-2,600.

Moving forward, we maintain the outlook of STI testing support zone 1 and long-term rebound is kept at support zone 2,208.42-2,263.00.

Fraser Centerpoint Trust has performed better than expected despite hovering and testing the support zone 1 for many times. As such, we maintain our stance based on the report dated in 6th July 2020.

Reason being that Fraser Centerpoint Trust has broken the resistance level at $2.49 and it has become an immediate support level. Also, Friday’s bullish candle rebounded from the support and 200-day moving average signify a stronger bullish rally to come.

*Fraser Centrepoint Trust is part of our Phillip Absolute 10 portfolio*
Capitaland Ltd has completed the sub-wave of the impulse primary phase in April 2020 and current wave analysis is pointing towards a potential regular flat corrective pattern. With wave B being completed and a diamond pattern formation at the support base of $2.68-$2.70, the stock is heading for a potential breakout. Should the diamond pattern breaks, the 5 sub-wave of C will rally towards the resistance zone at 123.6%, which is the maximum target for a regular flat.

*Capitaland Ltd is part of our Phillip Absolute 10 portfolio*

Riverstone is heading towards a potential corrective flat wave formation after the stock fails to carry on the bullish momentum of the piercing line which was mentioned based on our report dated 19th August. Additionally, the stock fails to sustain above $4.00 it is a sign of a weakening momentum.

Despite prices find itself supported at $3.65 support level and the 50-day moving average, the resistance zone at $4.12-$4.24 remains the key zone to be tested.
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