

## Technical Analysis

Watch the volatility

**Rising volatility is bearish.** Peak volatility levels have historically represented major lows. The current 20-day volatility at 22% is still relatively low and has broken out of the previous 21% peak volatility for the year. This is a bearish sign and suggests that the present rebound is most likely a bear rally, which should taper off near the 38% retracement of the down move at or near 2,800.

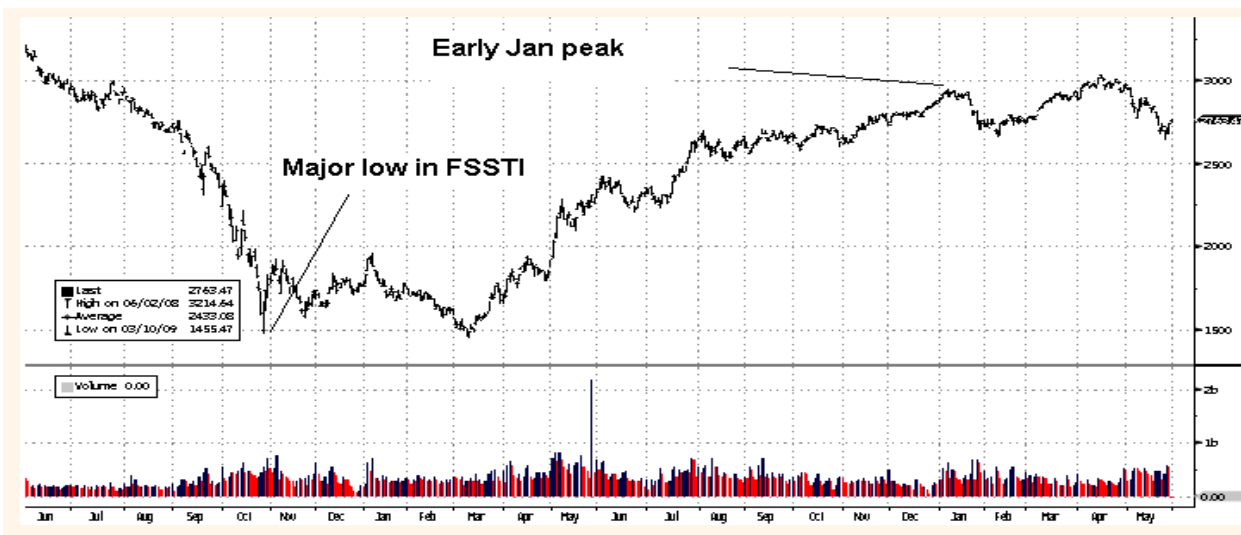
**2350-2400 beckons.** On Elliott wave analysis, we view the recent decline as a wave A and the present rebound as a wave B. A subsequent decline should bring the index down towards 2,350-2,400 range. Even if this sounds far-fetched, investors should watch the volatility, which shows increased nervousness. Additional signs to watch are low market breadth and volume in the current rebound. A volatility "resistance" level can be estimated at roughly 44% and that could provide a trading opportunity. At current levels, the rising volatility signals higher risk.

### FSSTI And 10-day Volatility Indicator

## SINGAPORE Technical Analysis

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Source: Bloomberg

**Top 14 Stocks With Lowest 10-day Volatility**

	10(day volatility)	20(day volatility)	52(wk)	Last price	% chg
<b>FSSTI Index</b>	28.1	22.3	3038.0	2763.5	(9.0)
KREIT	15.9	16.6	1.2	1.1	(13.1)
Hong Leong Fin	16.5	17.2	3.2	2.9	(10.2)
AREIT	19.6	17.7	2.2	1.9	(16.1)
ST Engineering	18.8	21.0	3.3	3.1	(5.6)
SPH	20.2	23.6	4.2	3.7	(11.5)
City Dev	21.0	21.8	12.1	10.2	(15.7)
UOB	21.5	27.5	21.1	18.1	(14.1)
Capitaland	22.6	19.7	4.4	3.6	(18.7)
Suntec Reit	24.0	19.0	1.4	1.3	(12.5)
Sing Post	25.4	22.8	1.2	1.1	(6.0)
Fraser Centerpoint	26.4	24.4	1.5	1.3	(11.8)
SIA	22.5	24.5	16.0	14.4	(9.8)
Parkway Reit	25.9	22.2	1.4	1.3	(4.3)
Capitmall Trust	27.9	28.6	2.0	1.8	(9.9)

Source: Bloomberg, UOB Kay Hian

**Top 14 Stocks With Highest 10-day Volatility**

	10(day volatility)	20(day volatility)	52(wk)	Last price	% chg
<b>FSSTI Index</b>	28.1	22.3	3038.0	2763.5	(9.0)
Parkway Hldgs	128.7	86.7	3.8	3.7	(2.1)
Sound Global	95.6	75.1	1.0	0.8	(22.1)
Pine Agritech	95.1	89.3	0.3	0.2	(49.2)
China Sports Intl	94.8	71.6	0.2	0.1	(60.4)
Mermaid Maritime	90.0	76.9	1.1	0.5	(56.8)
Sinotel Technologies	80.7	66.2	0.7	0.3	(55.8)
Ezion Hldgs	79.5	68.6	0.9	0.6	(30.9)
Li Heng	73.9	73.0	0.4	0.2	(48.2)
China Sky	72.7	64.1	0.3	0.2	(46.6)
China XLX	70.6	58.5	0.9	0.5	(44.8)
Jardine Cycle and Carriage	68.9	50.3	32.5	27.6	(15.0)
Ho Bee	66.2	48.0	1.9	1.4	(25.4)
Genting	65.8	53.3	1.3	1.1	(19.7)
Noble Group	64.3	52.3	2.2	1.8	(18.9)

Source: Bloomberg, UOB Kay Hian

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