

## Technical Analysis Comes of Age in Singapore

**I**n late 1984, a group of about twenty "market technicians" gathered to consider if the time was ripe to organise a Technical Analysis Society in Singapore, patterned along those found in other major financial centres such as New York, London and Tokyo.

The founding members will recall that in the early days, any analysis that was not supported by "sound" fundamentals was close to being heretic. As market behaviour began to deviate from the traditional approach of "sound" reasoning, there were disquieting murmurs amongst traders about markets getting illogical. There was a silent thirst for a "new" approach to better understand market behaviour. Perhaps this is the right time for such an introduction. With additional strong support from our counterparts in other financial centres, a protem committee was formed to propose the constitution.

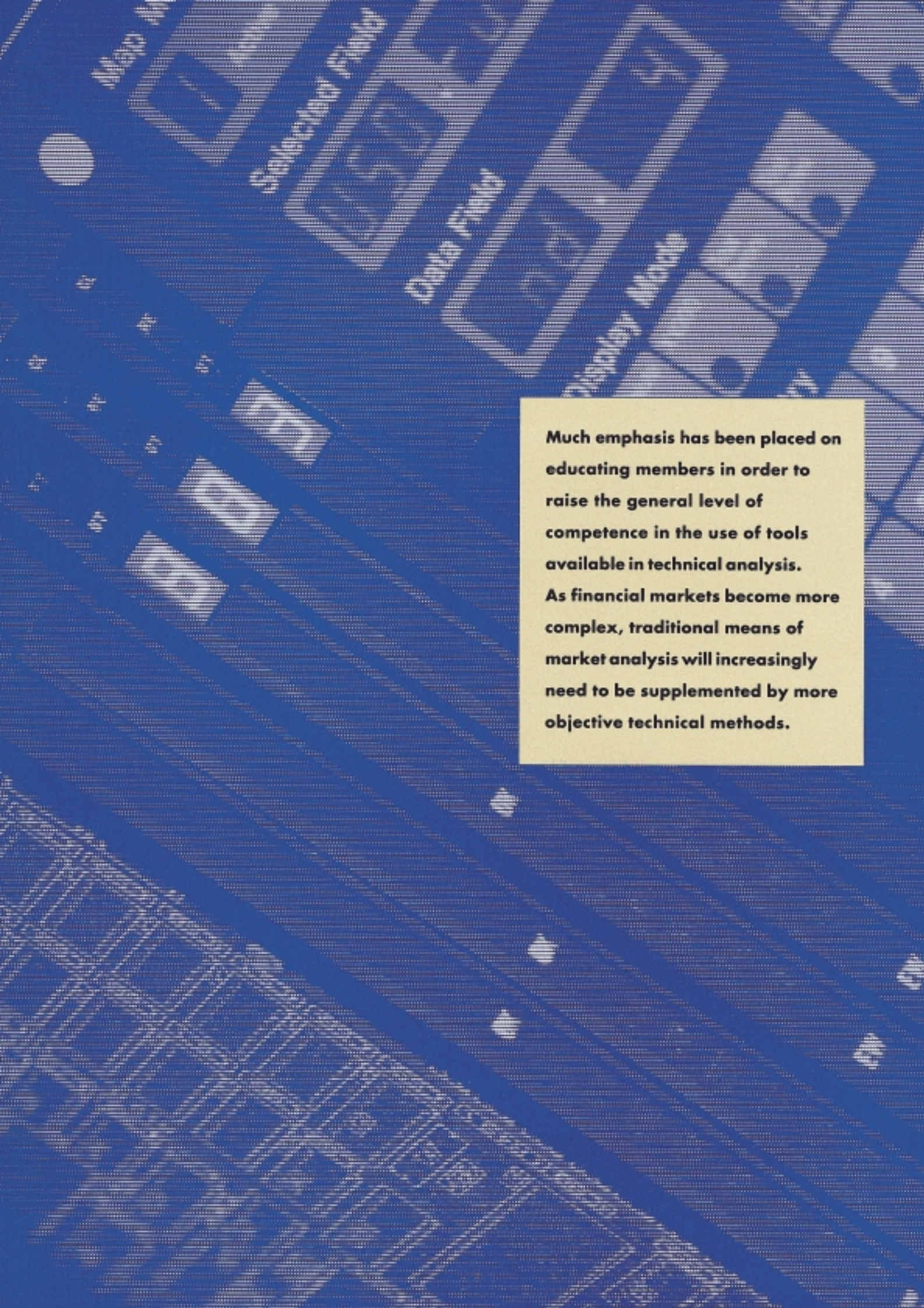
In 1985, the Singapore Technical Analysts and Traders Society (STATS) was born to

serve the interests of technical analysts and traders in Singapore. Its primary objectives are:

- Provide a forum to foster the exchange of ideas and information for the purpose of adding to the technical and analytical knowledge of the members.
- Promote the use of technically oriented research for use in decision-making and as a means to inform the public of its uses and limitations.
- Establish and encourage a high level of standard and competence among technical analysts.

Initial response from the financial community was very encouraging. Within the first three months, about 100 individuals and half a dozen corporate members were registered. These included banks, merchant banks and stockbrokers. As the application of Technical Analysis transcends all major markets, STATS attracted a wide range of individuals, including stock dealers and traders in forex, commodities, financial futures, precious metal and money markets. There is also a good mix of professional and private investors, with





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even a few fundamental analysts. The Society has at present some 240 members who meet regularly for seminars and talks.

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Based on figures from the Institute of Banking and Finance, the demand for technical analysis related courses has been growing. Between 1987 and 1989, the number of participants in such courses increased by 44 per cent from 331 to 478.

The same healthy trend can also be seen in the annual technical analysis seminar (TAG Conference) organised by Telerate/Teletrac, with attendance increasing by 46 per cent from 150 to 220 between 1987 and 1989.

Since joining the International Federation of Technical Analysts in 1986, STATS has benefitted from regular contacts with other similar societies in the United States, Europe, Latin America and Asia.

Over the last five years, STATS has invited no less than 20 prominent technical analysts, both local and foreign, to address its members on a wide range of markets and

subjects. The topics covered ranged from the application of technical tools on intra-day charts to more exotic subjects such as Gann angles. Our members have found the talks to be very educational and have benefitted tremendously from them.

In its continuing effort to upgrade the level of technical competence in Singapore, STATS has also set up a library consisting of books and video tapes on basic technical analysis methods and more advanced topics. These are available to members on a weekly basis.

As financial markets become more complex, traditional means of market analysis will increasingly need to be supplemented by more objective technical methods. The demands on the pool of talent in technical analysis will continue to grow. It is hoped that by providing training opportunities, STATS is able to play its part in serving the needs of the Singapore financial community and in enhancing our efforts to build a viable regional financial centre. ■

*The Singapore Technical  
Analysts and Traders Society*