



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 945.940 High: 948.040 Low: 943.360 Close: 946.620 +0.650(0.1%) Volume: 11,569,590 (+2616064, 29.2%)
 COMPOSITE INDEX [COMPOSITE] 25/11/2005 - 20/04/2006 Ticks:-97 Bollinger Band[10.2] -25% - Volume Daily
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Composite Index Daily Technical Analysis, 20/04/2006, by Straits Index (M) Sdn Bhd

Composite Index ended mixed on Thursday, closing marginally higher to 946.62 points. As indicated by A, the Composite Index was once again resisted by the T3 dynamic resistance of the uptrend channel. Therefore, the Composite Index must either break out above the T3 or a short-term technical correction is likely to take place again. (Study A)

Meanwhile, 20 days Bollinger Bands width contracted 25%, suggested that the direction of the Composite Index was still unclear. Nevertheless, support for the Composite Index is now at 10 days Bollinger middle band dynamic support, as well as the 14 days EMA; while the resistance is at T3.

As indicated by B, total market volume has risen 29.2% on Thursday with 1.157 billion shares. This suggested that the market was once again actively participated. However, with the Composite Index resisted at T3, the high volume may reinforced the psychological effect of the T3 resistance. Therefore, unless a stronger volume to help the Composite Index to break out from the T3, the Composite Index is likely to face some selling pressure at T3. (Study B)

Lastly, the descending line of the WinChart RSI which signaled a class A bearish divergence is still in place. (Study C). This suggested that the technical correction has not yet ended. If the WinChart RSI remained below the descending line, more downside correction is likely.