



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 949.480 High: 952.540 Low: 945.890 Close: 947.610 -1.680(-0.2%) Volume: 12,251,060 (-3713601, -23.3%)
COMPOSITE INDEX [COMPOSITE] 02/08/2005 - 27/04/2006 Ticks=181 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 27/04/2006, by Straits Index (M) Sdn Bhd

On Thursday, the Composite Index ended mixed, losing 1.68 points to 947.61 points. As shown on the chart above, the Composite Index remained resisted by the T3 dynamic resistance of the up trend channel. Nevertheless, since the 14,21,31 EMA is still rising, there is not sign of a reversal yet, and

therefore, the up trend channel is pretty much in place.

953.88 Fibonacci Retracement remained as an important resistance while the 931 point as well as the T2 would be the important support for the Composite Index.

As indicated by B, although total market volume remained above the 40 days VMA, which signal that the market was well participated lately, there is a divergence signal seen in volume. This is because when KLCI is making new high while the volume, on the other hand, failed to follow. This divergence suggested a weakness in the KLCI performance lately, and also imply a relatively decreased of capital inflow into the market, if compared to the previous peak in the beginning of April. (Study B)

WinChart RSI is showing another divergence signal again, despite the KLCI somewhat making an intra-day new high. This, also outline a weakness of KLCI at the moment. In order words, WinChart RSI must break above the descending line in order to regain its strength; or else, another technical correction is inevitable.