



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
Tel: (03) 8941 6828
Fax: (03) 8941 9828
email: info@straitsindex.com

Open:963.670 High:963.670 Low:950.150 Close:959.940 -4.680(-0.5%) Volume:13,767,390 (-1734414,-11.2%)
COMPOSITE INDEX [COMPOSITE] 18/11/2005 - 16/05/2006 Ticks=118 Moving Averages e(14,21,31) - RSI(14) Daily
Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 16/05/2006, by Straits Index (M) Sdn Bhd

As shown on the chart above, the Composite Index continued its technical correction on Tuesday, ended the day 4.68 points lower to 959.94 points. As indicated by arrow A, the Composite Index rebounded at the 31 days EMA as well as the 950 Fibonacci retracement level. Therefore, 950 is the current support level for Composite Index. (Study A) Nevertheless, the resistance for the Composite

Index remained at 970.5 Fibonacci Retracement level.

As circled by B, WinChart RSI fall below the 70% level, and as a result, it suggested that the bullish market sentiment has ended. Currently, WinChart RSI is situated in the neutral region thus indicated that the market strength is at neutral. (Study B)

As shown by the C curve, MACD histogram continue to decline, thus showing that the bull was losing strength. Mean while, the round top shape of the MACD histogram also suggested the further consolidation of the Composite Index, thus the Composite Index movement for the short-term is likely to be bearish until a round bottom shape is formed. (Study C)