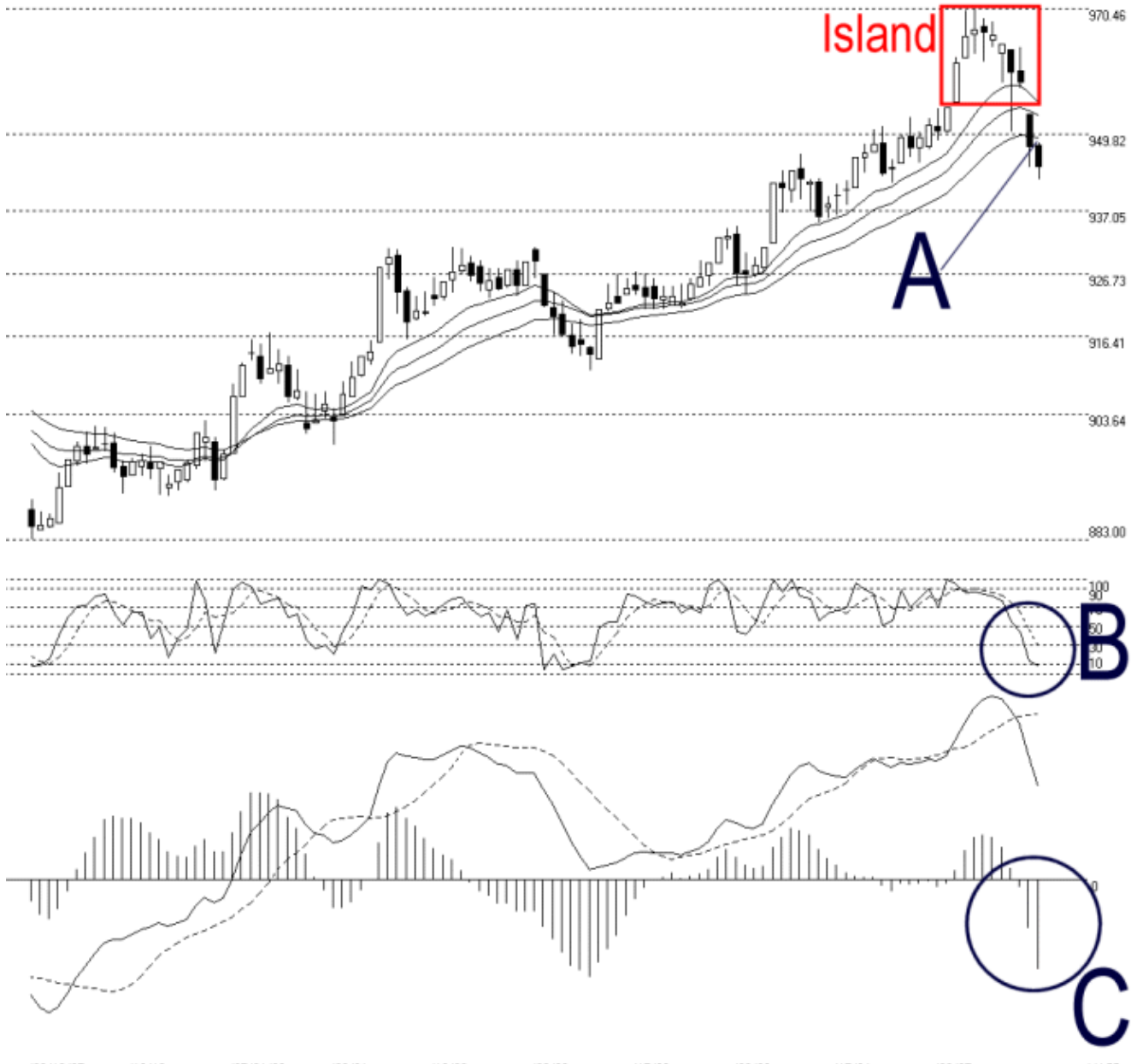




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:947.880 High:948.290 Low:942.260 Close:944.400 -3.380(-0.4%) Volume:7,995,600 (-572269,-6.7%)
COMPOSITE INDEX [COMPOSITE] 02/12/2005 - 19/05/2006 Ticks=111 Moving Averages e(14,21,31) - STC(9.3) %K=7.59, %D=28.34 (-20.75) Daily
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Composite Index Daily Technical Analysis, 19/05/2006, by Straits Index (M) Sdn Bhd

As shown on the chart above, the Composite Index continued staying below the 14, 21, 31 EMA and as a result, the 14, 21, 31 EMA is now serving as the immediate dynamic resistance to the Composite Index. Mean while, 950 Fibonacci Retracement is also the immediate resistance while the strongest resistance at the moment is the gap at the 954 - 957 level. (Study A)

As indicated by the red square, which signaled a possible island reversal top. Therefore, unless the Composite Index could break above the gap at 954 – 957 with strong volume, the 954 – 957 would remain a strong resistance for the Composite Index.

As circled by B, both lines of the Stochastic are now in the short-term bearish region. Particularly, the %K is slightly below the 10% level thus triggered the first over-sold signal. As a result, this suggests that a technical rebound is likely in the near future. However, if after the technical rebound, the Stochastic is still situated in the bearish region, market sentiment for the short-term would remain bearish. (Study B)

As indicated by the C circle, MACD histogram continue to tick down, suggested that the bearish signal was still gaining strength. The bearish movement shall continue until a round bottom is formed at the histogram. (Study C)