



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:924.690 High:928.000 Low:919.040 Close:926.560 +1.050(0.1%) Volume:8,899,188 (-1110820,-11.1%)  
COMPOSITE INDEX [COMPOSITE] 25/11/2005 - 23/05/2006 Ticks=118 Bollinger Band(20,2) 14% - Volume Daily  
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### Composite Index Daily Technical Analysis, 23/05/2006, by Straits Index (M) Sdn Bhd

On Tuesday, the Composite Index rebounded, closing the day marginally higher to 926.56 points. As circled by A, the KLCI candle was entirely below the 20 days Bollinger lower band, which signaled a pull-back effected as mentioned on yesterday's analysis, thus a temporary technical rebound or consolidation is likely. (Study A)

Support is still at the 913 level while the resistance would be the falling 14, 21, 31 EMA and the strongest resistance level is still at the 954 – 957 level.

Despite the minor rebound, total market volume decreased 11.1%, at around 890 million shares, which was also below the 40 day VMA level. This suggested that the market was still relatively quiet. (Study B)

As circled by C, %K of the Stochastic rebounded, breaking slightly above the 10% level. This has signaled a technical rebound. Nevertheless, both lines of the Stochastic were still situated below the 30% level, therefore, in spite of the rebound, the market sentiment for the short-term is still on the bearish bias. (Study C)