



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

Open: 928.210 High: 930.260 Low: 927.370 Close: 929.890 +1.520(0.2%) Volume: 5,054,059 (+407205.8.8%)
COMPOSITE INDEX [COMPOSITE] 30/11/2005 - 30/05/2006 Ticks=120 Moving Averages e(7,13,18) - Volume Daily
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Composite Index Daily Technical Analysis, 30/05/2006, by Straits Index (M) Sdn Bhd

Consolidation of the Composite Index continued on Tuesday, gaining marginally 1.52 points to 929.89 points. As shown on the chart above, the KLCI remained below the 7, 14, 21 EMA, and therefore, the 7, 14, 21 EMA would still be the immediate dynamic resistance of the KLCI. As long as the KLCI is staying below these descending exponential moving averages, outlook for the KLCI would remain

bearish. (Study A) Mean while, 926 Fibonacci Retracement continue serving as the support to the KLCI. (Study A1)

Total market volume on Tuesday rose 8.8% with around 505 million shares. However, the volume was still further away below the 40 days VMA level, suggested that the market participation was still light; thus unable to promote the KLCI. (Study B)

Despite the consolidation of the KLCI, Stochastic remained below the 30% short-term bearish region, which indicated that the market sentiment for the short-term is likely to stay weak. If the %K line of the Stochastic could break above the 30% level, that would be the 1st signal suggests an end to the short-term bearish sentiment and the confirmation will come in when the %D line breaks above the 30% level. (Study C)