



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

Open: 930.080 High: 935.390 Low: 930.080 Close: 930.720 +0.270(0.0%) Volume: 4,452,515 (-88050, -1.9%)  
COMPOSITE INDEX [COMPOSITE] 30/11/2005 - 02/06/2006 Ticks=123 Moving Averages e(7,14,21) - Volume Daily  
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### Composite Index Daily Technical Analysis, 02/06/2006, by Straits Index (M) Sdn Bhd

On Friday, 2<sup>nd</sup> of June, 2006, the KLCI attempted a rebound but was resisted by the 14 days EMA, and closed at the 7 days EMA dynamic resistance. As shown on the chart above, the 7 days EMA was staying flat while the relatively longer EMA (14 and 21 days) remained falling. This suggested that the short-term movement of the KLCI was at neutral while from a slightly longer perspective, the

movement of the KLCI remained bearish bias. (Study A)

Mean while, 10 days Bollinger Bands width further contracted another 29%, indicating that the KLCI was still at a consolidation phase. On a slight positive note, the KLCI is now situated above the Bollinger middle band thus if the Bollinger middle band were to expand, with the KLCI above the Bollinger middle band, the outlook for the KLCI would improve.

Despite a mild improvement on the market movement, total market volume remained thin, with only 445 million shares traded on Friday. It is obvious, as shown on the chart above, that the volume was far below the 40 days VMA (volume moving average) line, suggested the market participation was still inadequate. (Study B)

As of Friday, %K of the Stochastic remained in the neutral region while the %D was barely above the 30% level. This suggest a slight improvement of the short-term market sentiment, but however, Stochastic has not triggered any bullish signal. Provided that the Stochastic remained between 30% and 70% level, market sentiment for the short-term is likely to stay at neutral. (Study C)