



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

Open:931.200 High:935.350 Low:930.260 Close:931.900 +1.180(0.1%) Volume:4,050,011 (-402504,-9.0%)
COMPOSITE INDEX [COMPOSITE] 02/12/2005 - 05/06/2006 Ticks=122 Bollinger Band(10,2) -55% - Volume Daily
Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 05/06/2006, by Straits Index (M) Sdn Bhd

The KLCI attempted another rebound on Monday with an intra-day high at 935.35 points in early session, but however, most gained was returned back with lack of buying interest. At the close, the KLCI ended at 931.9 points, gaining 1.18 points. As marked by arrow A, 10 days Bollinger Bands width continue to contract another 55%, this suggested that the consolidation is near ending, and

direction of the KLCI would be clearer when the Bollinger Band width expands. (Study A)

Support for the KLCI remained at 926 Fibonacci Retracement while the resistance is still at the 14, 21 EMA dynamic resistance.

Total market volume on Monday was 9% lower, with only around 405 million shares. This has shown that the market was lack of interest, and such volume is definitely insufficient to promote any improvement of market movement. (Study B)

In spite of the deadening market participation, %K of the Stochastic has surged to above the 70% level, which triggered an early unconfirmed bullish signal. This signal suggests that the market sentiment for the short-term is turning bullish. Nevertheless, confirmation of this signal comes when the %D break above the 70% with %K staying above the 70%. (Study C)