



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open: 926.650 High: 929.920 Low: 922.550 Close: 923.570 -1.920(-0.2%) Volume: 4,005,948 (+272033.73%)  
COMPOSITE INDEX [COMPOSITE] 02/12/2005 - 07/06/2006 Ticks=124 Bollinger Band(10,2) 15% - RSI(14) Daily  
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### Composite Index Daily Technical Analysis, 07/06/2006, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI ended lower, losing 1.92 points to 923.57 points. As a result, the Bollinger Band width expanded 15% with the KLCI staying below the Bollinger middle band. As pointed by A, the expansion of the Bollinger Bands width suggested a bearish movement of the KLCI. Provided that the Bollinger Band width continues to expand, the outlook of the KLCI is likely to be on the bearish

bias. (Study A)

Immediate resistance for the KLCI is now at the 10 days Bollinger middle band dynamic resistance while the support is at the 913 level followed by the 900 psychological level.

As circled by B, WinChart RSI is staying below the 30% level, which is the bearish region. As long as the WinChart RSI is still below the 30% level, market sentiment for the mid-term is still weak. (Study B)

%K of the Stochastic has dropped below the 30% level marginally again, with the %D line barely below the 50% level. If the %K line stays below the 30% level, that would be another bearish signal, and confirmation of this bearish signal will take place when the %D drops below the 30%. (Study C)