



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:922.870 High:925.600 Low:914.370 Close:917.250 -6.320(-0.7%) Volume:4,774,281 (+768333.19.2%)
COMPOSITE INDEX [COMPOSITE] 01/12/2005 - 08/06/2006 Ticks=126 Bollinger Band(10,2) 54% - RSI(14) Daily
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Composite Index Daily Technical Analysis, 08/06/2006, by Straits Index (M) Sdn Bhd

On Thursday, the KLCI ended 6.32 points lower to 917.25 points. As indicated by A, the 10 days Bollinger Bands width expanded 54%, with the KLCI located below the middle band. This suggested a bearish movement of the KLCI, and the bearish movement shall continue until a contraction of the band width, which will then suggest another consolidation. (Study A)

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

As shown on the chart above, WinChart RSI remained below the 30% level, therefore, the WinChart RSI suggests that the KLCI sentiment is weak, and the market sentiment for the mid-term is likely to stay bearish bias. (Study B)

As circled by C, %K of the Stochastic remained below the 30% level, which suggested a short-term bearish signal. Mean while, %D line also falling. If the %D line dropped below the 30% level, it will confirm the %K signal, and the market sentiment for the short-term is expected to be bearish bias. (Study C)