



**STRAITS  
index**

Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:916.010 High:918.510 Low:914.300 Close:916.700 +1.300(0.1%) Volume:2,596,377 (-824503,-24.1%)  
COMPOSITE INDEX [COMPOSITE] 01/12/2005 - 12/06/2006 Ticks=128 Moving Averages e(14,21,31) - Mom(10) Daily  
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**Composite Index Daily Technical Analysis, 12/06/2006, by Straits Index (M) Sdn Bhd**

The KLCI was trading at a tight range on Monday, closing 1.30 points higher to 916.70 points. As shown on the chart above, the KLCI remained below the 14, 21, 31 EMA while the EMAs are still on the fall. This suggested that the EMAs are still serving as the dynamic resistance and as long as the KLCI is still resisted by this resistance, the down trend shall continue.(Study A) Nevertheless, 913 is

still the support level for the KLCI while the next support is at 900 psychological support level.

As pointed out by the ascending by B, Momentum has outlined a *class-A* bullish divergence signal, suggested a possible technical rebound. If price rebound at this level with the Momentum rising, the divergence signal is confirmed, and as long as the Momentum is rising above the ascending line, the effect of the divergence shall continue. (Study B)

As circled by C, MACD histogram ended flat on Monday. If the histogram could tick up in the following trading days, a round bottom signal will form, thus suggested a short-term technical rebound. At the mean time, MACD has not triggered any bullish signal.(Study C)