



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:902.000 High:902.560 Low:892.890 Close:893.230 -10.400(-1.2%) Volume:3,245,725 (-331279.93%)
COMPOSITE INDEX [COMPOSITE] 30/11/2005 - 14/06/2006 Ticks=131 Moving Averages of(14,21,31) - STC(9.3) %K=.8, %D=4.56 (-3.76) Daily
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Composite Index Daily Technical Analysis, 14/06/2006, by Straits Index (M) Sdn Bhd

KLCI ended lower, losing 10.40 points to 893.23 points on Wednesday. As pointed by A, the 14, 21, 31 EMA were still falling, thus suggested that the KLCI was still in a downtrend. (Study A). At the moment, the multiple EMA is still serving as the dynamic resistance to the KLCI. Mean while, since the important 900 psychological support level has been taken out, the next support for the KLCI

is now the 883 Fibonacci Retracement, while the immediate resistance is at 900 points level.

As shown by B, both %K and %D of Stochastic are now below the 10% level, which is a short-term over-sold region. This suggested that the KLCI was indeed over-sold thus a technical rebound is likely in short-term. Nevertheless, since Stochastic is still below the 30% level, market sentiment for the short-term is still bearish. (Study B)

As circled by C, MACD histogram continued falling, giving no indication of a rebound. In additional, the falling of the MACD histogram also suggests that the bear was still in control, and therefore, the bearish signal shall continue until a round bottom is formed at the histogram which would suggest a consolidation or a technical rebound. (Study C)