



**STRAITS
index**

Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:904.800 High:909.200 Low:904.800 Close:907.760 +3.250(0.4%) Volume:4,670,929 (-573843,-10.9%)
 COMPOSITE INDEX [COMPOSITE] 03/03/2006 - 27/06/2006 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 27/06/2006, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI managed to stay above the 903 Fibonacci Retracement support while still resisted by the 21 days EMA. As shown on the chart above, the 14, 21, 31 EMA stayed flat, suggested that the direction was unclear. The congestion of the multiple exponential moving average suggested a consolidation of the KLCI. (Study A)

Support remained at 903.85 WinChart Automatic Fibonacci Retracement while the resistance is at the 14, 21, 31 EMA and the next resistance would be the 916.59 Fibonacci Retracement.

Total market volume on Tuesday stood at around 467 million shares, a 10.9% decreased from the previous day. With the volume still staying below the 40 days VMA level, it suggested that the market was relatively quiet. However, generally, a lower market volume during a consolidation is usually healthy. (Study B)

As pointed by C, the MACD bullish signal continued; and as a result, the histogram ticked higher. The bullish signal shall continue until a round top is formed at the histogram which, by then, would suggest a technical correction. (Study C)