



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
Tel: (03) 8941 6828
Fax: (03) 8941 9828
email: info@straitsindex.com

Open:914.610 High:919.570 Low:914.430 Close:919.140 +4.450(0.5%) Volume:6,016,392 (-1480547,-19.7%)
 COMPOSITE INDEX [COMPOSITE] 09/03/2006 - 03/07/2006 Ticks=80 Moving Averages e(14,21,31) - STC(9,3) %K=98.73, %D=93.98 (4.74) Daily
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Composite Index Daily Technical Analysis, 03/07/2006, by Straits Index (M) Sdn Bhd

KLCI ended higher on Monday, gaining 4.45 points to close above the 916.59 Fibonacci Retracement resistance as well as breaking above the 31 EMA dynamic resistance. (Study A) Therefore, the next resistance for the KLCI is now at the 926.88 Fibonacci Retracement, while the support remained at the 14, 21, 31 multiple EMA.

As indicated by B, both %D and %K are situated above the 90% level, which is an over-bought region, suggested that the KLCI has gone over-heated and a technical correction is due to take place. Mean while, according to the historical data, %D of the Stochastic rarely breaking above the 90% level, and therefore, the signal suggested that the KLCI was indeed, for the short-term, over-heated. (Study B)

MACD histogram continued ticking higher on Monday, suggested that the bull was still in control. At the moment, it pays to monitor the development of the histogram for if the histogram began to descend, it would suggest a technical correction, thus a consolidation. (Study C)