



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:919.370 High:926.500 Low:919.370 Close:923.990 +4.850(0.5%) Volume:10,033,900 (+4017509,66.8%)
COMPOSITE INDEX [COMPOSITE] 10/03/2006 - 04/07/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 04/07/2006, by Straits Index (M) Sdn Bhd

KLCI continued its rising momentum on Tuesday, gaining 4.85 points to 923.99 while attempted the 926.88 Fibonacci Retracement. As shown by A, the KLCI was precisely resisted by the 926.88 Fibonacci Retracement, and as a result, the 926.88 remained as the immediate resistance while the 14, 21, 31 EMA will continue to serve as the dynamic support. (Study A)

Volume on Tuesday stood at slightly more than 100 million shares and managed to break above the 40 days VMA level. This suggested that the market was actively participated and if the volume could maintain its position above the 40 days VMA, the upward movement of the KLCI is likely to sustain. (Study B)

Despite the short-term bullishness, the over-bought signal remained intact. Therefore, a technical correction shall take place in a very near future. From the technical point of view, the best technical correction for the KLCI now is a sideways consolidation above the EMA. If Stochastic could maintain its position above the 70% level after the correction, the short-term bullish sentiment shall continue.(Study C)