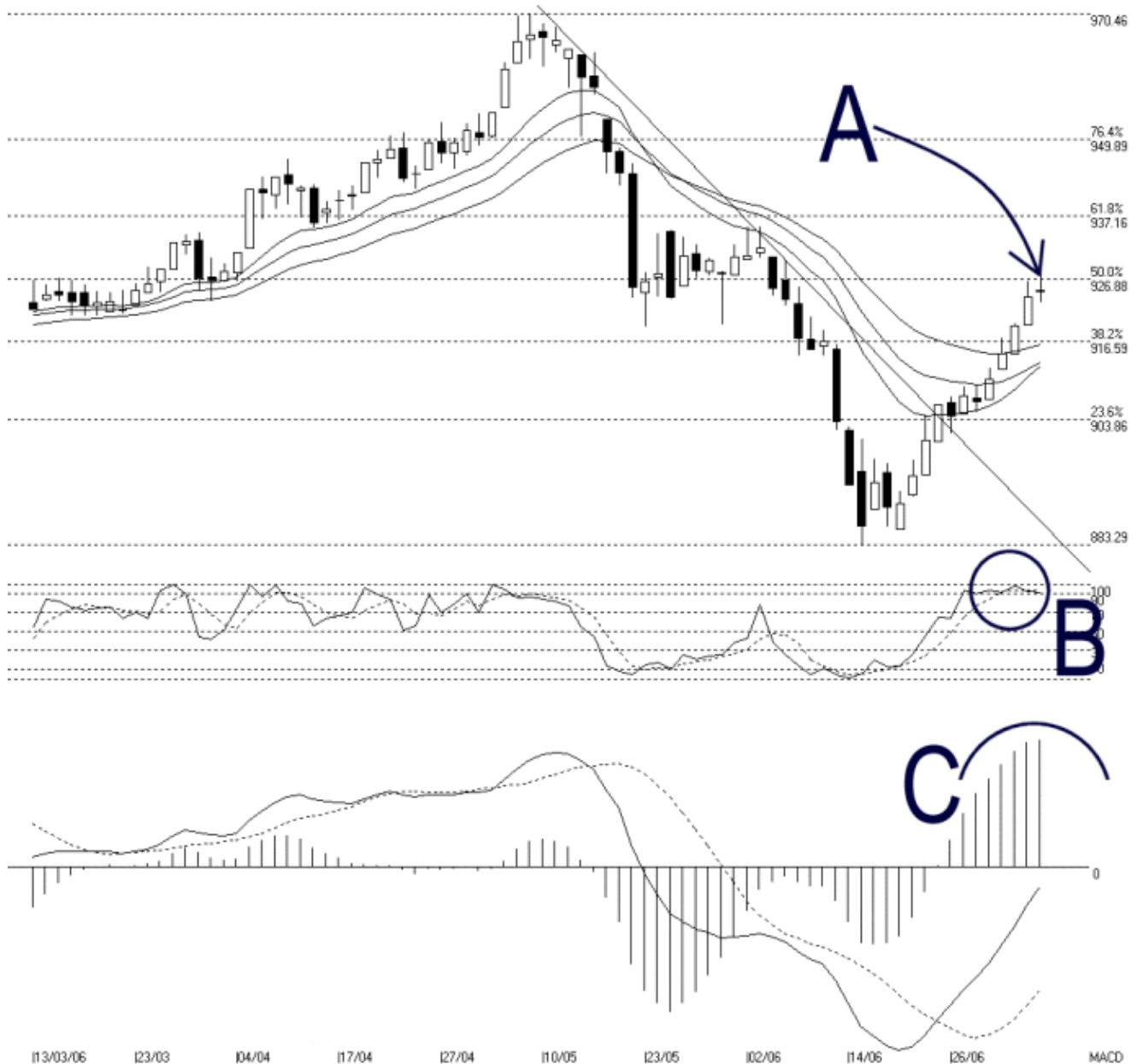




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:925.060 High:927.700 Low:922.980 Close:924.890 +0.900(0.1%) Volume:7,077,425 (-2956476,-29.5%)
 COMPOSITE INDEX [COMPOSITE] 13/03/2006 - 05/07/2006 Ticks=80 Moving Averages e[14,21,31] - STC(9,3) %K=91.46. %D=93.82 (-2.36) Daily
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Composite Index Daily Technical Analysis, 05/07/2006, by Straits Index (M) Sdn Bhd

After gaining for 5 consecutive day since the last consolidation, KLCI ended mixed on Wednesday. As pointed by A, the KLCI was again resisted by the 926.88 Fibonacci Retracement. The KLCI is likely to consolidate again with the 14, 21, 31 EMA serving as the immediate support. As a result, a range bound consolidation between the EMA and the 926.88 level is possible. (Study A)

As circled by B, the Stochastic over-bought signal was still on. As a result, the technical correction shall continue. While the short-term movement has gone over-heated, market sentiment for the short-term is still bullish with the Stochastic staying above the 70% level. (Study B)

As outlined by the C curve, MACD histogram almost stayed flat on Wednesday, this has implied that a round top could be forming. If the histogram formed a round top, the KLCI shall have a technical correction and the correction will continue until the histogram starts rising again and forms a round bottom. (Study C)