



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

Open:924.980 High:925.480 Low:919.220 Close:920.000 -4.890(-0.5%) Volume:6.769.547 (-307878,-4.4%)
 COMPOSITE INDEX [COMPOSITE] 14/03/2006 - 06/07/2006 Ticks=80 Moving Averages e[14.21.31] - STC[9.3] %K=71.87, %D=89.61 (-17.74) Daily
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 06/07/2006, by Straits Index (M) Sdn Bhd

KLCI had a technical correction on Thursday, ended the day with a lost of 4.89 points to 920 points. As pointed by A, the 14, 21, 31 EMA were still serving as the dynamic support to the KLCI. If the KLCI could consolidate above the EMA, the upward momentum is likely to resume after this correction. (Study A) Nevertheless, immediate resistance remained at 926.88 Fibonacci Retracement while

additional support is also seen at 916.59 Fibonacci Retracement.

As indicated by B, %K of the Stochastic retreated in response to the technical correction with the %D barely below the 90% level. It is advisable to monitor the development of the %D line for if the %D could remain above the 70% level after the correction, the short-term bullish market sentiment is expected to continue. (Study B)

As displayed by the C curve, MACD histogram formed a round top on Thursday, signaling a technical correction of the KLCI. This correction shall continue until a round bottom is sighted at the histogram. In addition, volume plays an important role at this moment for in order for the KLCI to break above the immediate resistance, a growth of volume is imperative. (Study C)