



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:918.380 High:924.720 Low:918.380 Close:924.720 +8.100(0.9%) Volume:5,351,180 (-2649147,-33.1%)
 COMPOSITE INDEX [COMPOSITE] 29/03/2006 - 21/07/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 21/07/2006, by Straits Index (M) Sdn Bhd

KLCI successfully broke up the 916.59 Fibonacci Retracement as well as the 14, 21, 31 EMA resistance, and managed to closed at the high of the day at 924.72 points. As shown on the chart above, the next resistance for the KLCI would be the previous resistance at 926.88 Fibonacci Retracement level. Mean while, the immediate support is now the 14, 21, 31 EMA. (Study A) Nevertheless, T1 and

T2 suggested a possible up trend channel for the KLCI while T3 is the descending resistance line.

KLCI ended the Friday trading with intra-day high, but with surprisingly low volume. Total market volume of the day was just over 535 million shares, or 33.1% lower from Thursday's volume. Also, volume on Friday failed to stand above the 40 days VMA level, and therefore, the sustainability of this upward momentum is questionable. (Study B)

Despite the unconvincing and insufficient of volume, Stochastic %K has entered the bullish region, giving the first possible bullish signal. This is, however, an unconfirmed signal for the %D line is still lagging at the neutral region. Volume is the crucial ingredient if the KLCI were to advance and take out the 926.88 resistance.(Study C)