



STRAITS index

Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:924.440 High:925.620 Low:921.170 Close:922.340 -2.380(-0.3%) Volume:5,577,119 (+225939,4.2%)
COMPOSITE INDEX [COMPOSITE] 30/03/2006 - 24/07/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 24/07/2006, by Straits Index (M) Sdn Bhd

KLCI pulled back on Monday, and corrected 2.38 points to close at 922.34 points. As pointed by A, if immediate support for the KLCI is still at the 14, 21, 31 EMA as well as at T3. (Study A) Immediate resistance for the KLCI is still at 926.88 Fibonacci Retracement while if the KLCI could break above the 926.88 resistance, the next resistance would be the T2 line.

Total market volume on Monday stood at around 557 million shares, failing to break above the 40 VMA line. This suggested that the market participation for the day was relatively low, but generally, a lower volume during a correction is considered as a healthy correction. Nevertheless, a higher volume is needed if the KLCI were to break above the 926.88 Fibonacci Retracement resistance. (Study B)

%K of the Stochastic retreated slightly, but remained in the bullish region while the %D line is getting closer to the 70% level. If both the %D and %K line could break above the 70% level, market sentiment for the short-term would be viewed as bullish. (Study C)