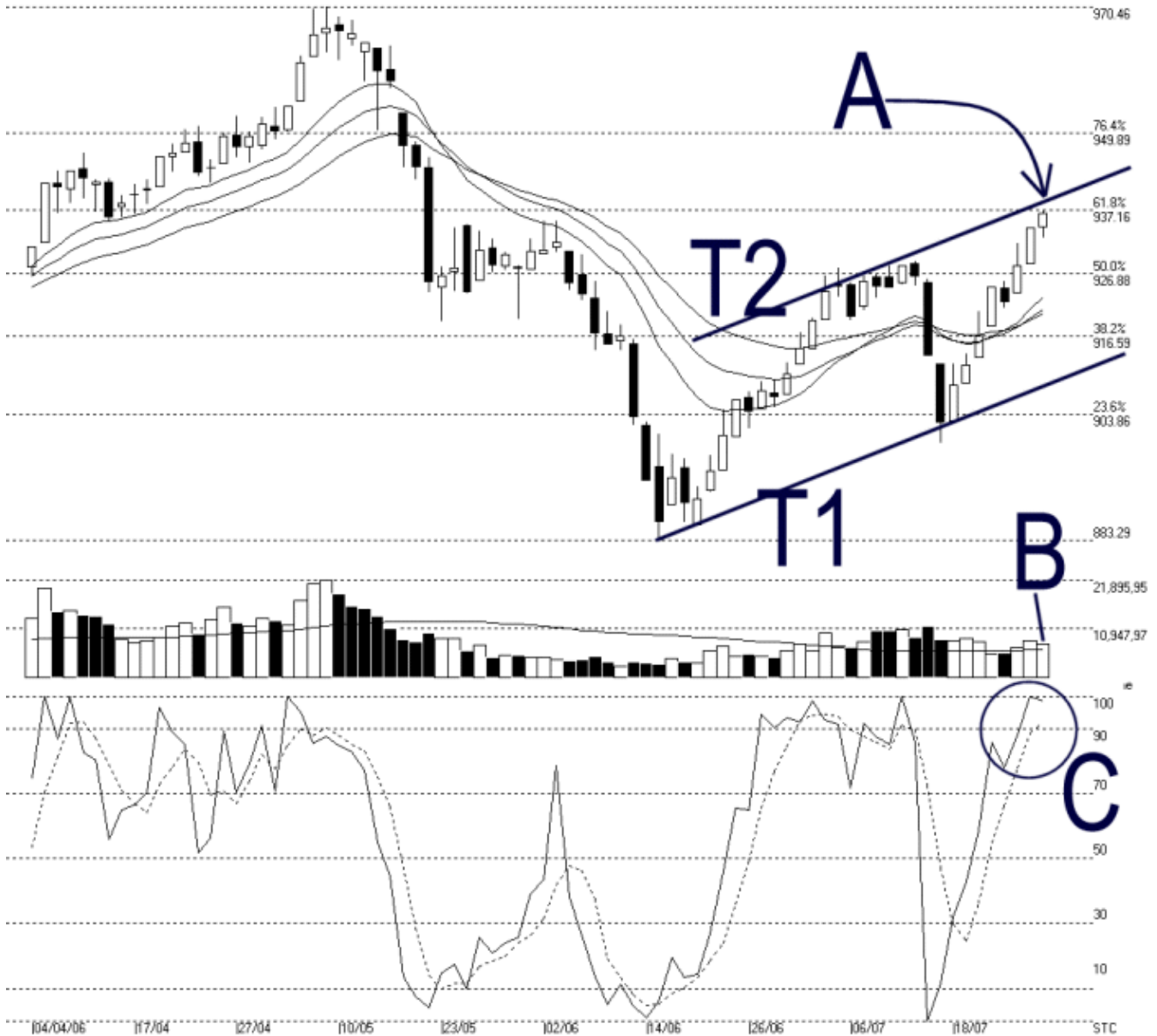




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:934.520 High:937.330 Low:932.640 Close:936.760 +2.420(0.3%) Volume:7,620,113 (-633142.-7.7%)
 COMPOSITE INDEX [COMPOSITE] 04/04/2006 - 27/07/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 27/07/2006, by Straits Index (M) Sdn Bhd

As mentioned on yesterday's analysis, the KLCI was precisely resisted at the 937 Fibonacci Retracement. This suggested that the KLCI is likely to have a technical correction soon while the support is still at the 14, 21, 31 EMA dynamic support. (Study A) Nevertheless, the up trend channel (T1 and T2) shall remained intact.

As pointed by B, total market volume on Thursday retreated 7.7%, suggested a slight decrease of market force while meeting the resistance at 937 Fibonacci Retracement. Generally, it is rather normal to see market volume decline during the technical correction. However, if the KLCI were to continue its rally, a strongly volume above the 40 days VMA is imperative. (Study B)

As circled by C, %K of the Stochastic retreated slightly after touching 100% level. This suggested that the KLCI has reached a short-term over-bought condition, and therefore, a technical correction is likely to take place in the near future. Nevertheless, giving that the Stochastic remain above the 70% bullish region, market sentiment for the short-term is still on the bullish bias. (Study C)