



**STRAITS
index**

Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:935.410 High:938.210 Low:932.960 Close:936.040 +0.190(0.0%) Volume:5,309,989 (+385427.78%)
 COMPOSITE INDEX [COMPOSITE] 07/04/2006 - 01/08/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 01/08/2006, by Straits Index (M) Sdn Bhd

Consolidation of the KLCI continued on Tuesday with the KLCI ended mixed. As shown on the chart above, the KLCI was still resisted by the 937.16 Fibonacci Retracement resistance. (Study A) Mean while, for the support side, 14, 21, 31 EMA shall remain as the immediate support and the next support would be at T1 ascending trend line.

As circled by B, total market volume continued to stay below the 40 days VMA level on Tuesday, suggested that the market participation was still relatively insufficient. However, during this consolidation, a lower volume is usually a healthy sign. (Study B)

MACD histogram ticked down for the first time since the MACD triggered a bullish signal on 25th of July. This suggested that the bullish signal is weakening, thus a sign of a technical correction or consolidation. This consolidation signal shall continue until the histogram started to tick up again. (Study C)