



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 939.570 High: 943.200 Low: 939.560 Close: 941.260 +2.180(0.2%) Volume: 4,000,528 (-260586, -6.1%)
 COMPOSITE INDEX [COMPOSITE] 18/04/2006 - 09/08/2006 Ticks=80 Bollinger Band(10.2) -27% - Volume Daily
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Composite Index Daily Technical Analysis, 09/08/2006, by Straits Index (M) Sdn Bhd

As indicated by A, 10 days Bollinger Band width contracted another 27%. This suggested that the KLCI was still consolidating, but based on the behavior of the 10 days Bollinger Bands, this also suggested that the consolidation is nearing its end and the KLCI is set for a new direction very soon. With the KLCI remained situated above the Bollinger middle band dynamic support, immediate

outlook for the KLCI is bullish bias. (Study A) Nevertheless, the Bollinger bands shall reveal a clearer signal when its band width started to expand.

Despite the KLCI being above the Bollinger middle band dynamic support, market volume ended lower again on Wednesday, with only slightly more than 400 million shares. Volume was clearly below the 40 days VMA level which suggested that the market was inadequately participated. (Study B)

Stochastic remained above the 70% bullish region. Therefore, market sentiment for the short-term is still on the positive bias. Again, with insufficient volume, the continuity of the bullish sentiment is highly doubtful. Therefore, volume is still the important ingredient to the KLCI performance. (Study C)