



**Straits Index (M) Sdn Bhd.**  
**WinChart Technical Analysis**  
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Open:942.880 High:947.220 Low:942.780 Close:946.000 +3.730(0.4%) Volume:5,146,323 (-1060140,-17.1%)  
 COMPOSITE INDEX [COMPOSITE] 21/04/2006 - 14/08/2006 Ticks=80 Bollinger Band(10.2) 19% - Volume Daily  
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**Composite Index Daily Technical Analysis, 14/08/2006, by Straits Index (M) Sdn Bhd**

KLCI ended higher on Monday, gaining 3.73 points to 946 points. As pointed by A, the KLCI was resisted again at T1 which was the dynamic resistance of the up trend channel. Mean while, Bollinger Band width expanded another 19% with the KLCI situated above the Bollinger middle band, and therefore, the Bollinger Bands suggested more upside room for the KLCI. (Study A)

Despite the bullish signal of the Bollinger Band, volume retreated on Monday, and failed to reach the 40 days VMA level. Therefore, this suggested a lack of continuity of the market force, thus reduced the significant of the bullish signal. (Study B)

As circled by C, with Stochastic still holding up above the 70% bullish region, market sentiment for the short-term is still bullish. The bullish signal of the Stochastic shall continue until the %K falls below the 70% level, which would then be the first warning signal, suggesting an end to the short-term bullishness. (Study C)