



**STRAITS
index**

Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:944.540 High:946.060 Low:937.980 Close:937.980 -5.960(-0.6%) Volume:4,968,082 (+749235,17.8%)
 COMPOSITE INDEX [COMPOSITE] 25/04/2006 - 16/08/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 16/08/2006, by Straits Index (M) Sdn Bhd

KLCI continued its technical correction on Wednesday, losing 5.96 points to close at 937.98 points. As pointed by A, the immediate support for the KLCI would be the 937.16 Fibonacci Retracement as well as the 14 EMA. Next support for the KLCI would then be the 926.88 Fibonacci Retracement followed by T2. (Study A)

Volume on Wednesday gained 17.8% but remained below the 40 days VMA level. Based on the current status, the volume still suggested a lower market participation and in other words, there was insufficient market force, thus unlikely to promote any upward movement of the KLCI. (Study B)

%K of the Stochastic dropped sharply below the 70% level, suggested an end to the short-term bullish sentiment. At the moment, Stochastic is showing a neutral short-term market sentiment and if the Stochastic dropped below 30% level, market outlook for the short-term is likely to stay bearish bias. (Study C)