



STRAITS index

Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
Tel: (03) 8941 6828
Fax: (03) 8941 9828
email: info@straitsindex.com

Open:938.320 High:944.170 Low:938.320 Close:942.080 +4.100(0.4%) Volume:5,623,682 (+655600,13.2%)
COMPOSITE INDEX [COMPOSITE] 26/04/2006 - 17/08/2006 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 successfully rebounded at the 14 days EMA dynamic support, ended the day 4.1 points higher. At the moment, 14, 21, 31 EMA remained as the dynamic support and if the KLCI could maintain above the EMA support, the uptrend should remain intact. (Study A) Nevertheless, immediate resistance for the KLCI is at 950 level or T1 dynamic resistance of the up trend channel.

Volume on Thursday gained 13.2%, but still remained below the 40 days VMA level. In general, total market volume has to be higher than the 40 days VMA to confirm the rally or an uptrend. A rally or uptrend with insufficient volume is, however, usually weak and unsustainable. (Study B)

As pointed by C, %K of the Stochastic rebounded and did not enter the bearish region. Current, with the Stochastic situated around the 50% level, market sentiment for the short-term is still at neutral. (Study C)