



**STRAITS
index**

Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:943.410 High:949.110 Low:943.370 Close:945.020 +2.410(0.3%) Volume:3,852,224 (-504912.-11.6%)
 COMPOSITE INDEX [COMPOSITE] 02/05/2006 - 22/08/2006 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 22/08/2006, by Straits Index (M) Sdn Bhd

The KLCI had a stronger move in the early session, but retreated during the afternoon session and closed only 2.41 points higher. As shown on the chart above, the rising 14, 21, 31 EMA remained serving as the dynamic support to the KLCI while the resistance is still at T1 dynamic resistance. (Study A)

Total market volume was 11.6% lower on Tuesday, and obviously, stood below the 40 days VMA level. Needless to say, market participation remained low. The lower volume also suggested a lack of capital in-flow to the market thus the rally will usually unsustainable. (Study B)

As circled by C, Stochastic still suggested a neutral short-term market sentiment, giving no bullish nor bearish indication. Nevertheless, if the Stochastic %K broke above the 70% level, it would be the first bullish indication. On the other hand, if Stochastic %D fell below 30% level, it would be the first bearish indication. (Study C)