



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

Open:959.040 High:962.420 Low:958.910 Close:960.690 +2.570(0.3%) Volume:4,088,773 (+34692.09%)  
 COMPOSITE INDEX [COMPOSITE] 28/04/2006 - 01/09/2006 Ticks=88 Bollinger Band(20.2) 10% - Volume Daily  
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**Composite Index Daily Technical Analysis, 01/09/2006, by Straits Index (M) Sdn Bhd**

KLCI ended higher on Friday, gaining 2.57 point to 960.69. As circled by A, the KLCI has breached above the 20 days Bollinger upper band, which suggested an over-heated situation. Therefore, a pull-back effect shall take place in the near future. Generally, if the KLCI candle were to close in black (or Red), it would be the beginning of the pull-back effect. (Study A)

Support for the KLCI is still at the rising 14, 21, 31 EMA dynamic support while the next resistance is at 970.46.

Despite the KLCI ended higher, volume continue to stay below the 40 days VMA level. On Friday, the total market volume was almost unchanged, with little over 400 million shares. The relatively low volume suggested a light participation of the market as a whole, and failed to support the KLCI movement. (Study B)

Nevertheless, as circled by C WinChart RSI remained above the 70% level, which is the mid-term bullish region. As long as the WinChart RSI could continue staying above the 70% level, market sentiment for the mid-term is likely to stay bullish. (Study C)