



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:967.740 High:969.060 Low:963.650 Close:967.550 -1.330(-0.1%) Volume:4,153,688 (-747959,-15.3%)  
COMPOSITE INDEX [COMPOSITE] 09/06/2006 - 29/09/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily  
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### Composite Index Daily Technical Analysis, 29/09/2006, by Straits Index (M) Sdn Bhd

As pointed by A, the KLCI was precisely supported by the 14 days EMA dynamic support again, suggested that the 14, 21, 31 EMA is still the dynamic support level to the KLCI. (Study A) However, the 970 resistance level is still a cap to the upside limit of the KLCI and therefore the KLCI is almost standing at the cross-junction in between breaking up or a reversal is likely. Nonetheless, the next support for the KLCI is seen at 950 Fibonacci Retracement.

As pointed by B, total market volume retreated 15.3% on Friday, failing to reach the 40 days VMA level. This suggested a set back for the market participation, and nonetheless, if the KLCI were to break above the 970.50 resistance, higher volume above the 40 days VMA level is imperative. (Study B)

As shown by the descending line C, Momentum suggested a Class-B bearish divergence signal. This divergence signal suggested a weakness of the KLCI, and provided that the Momentum line is staying below the descending line C, the divergence effect shall continue. If the Momentum line could break above the descending line C, that would be the end of the divergence signal. (Study C)