



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:976.790 High:983.540 Low:976.790 Close:983.540 +7.920(0.8%) Volume:7,714,555 (-689185,-8.2%)
 COMPOSITE INDEX [COMPOSITE] 05/05/2006 - 13/10/2006 Ticks=114 Bollinger Band(20,2) 20% - Volume Daily
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Composite Index Daily Technical Analysis, 13/10/2006, by Straits Index (M) Sdn Bhd

KLCI continued its upside rally after successfully broken above the 970 level on Thursday, ended the day at the daily high at 983.54 points. Again, since the KLCI is now considered breaking new high, and therefore, no visible immediate resistance could be found. However, the next major resistance level for the KLCI is still seen at 1000 points and followed by the 1021 Fibonacci Retracement. Mean while, the

14, 21, 31 EMA should continue serving as the dynamic support to the KLCI.

As circled by A, when switched to the 20 days Bollinger Bands, we see that the KLCI has breached above the 20 days Bollinger Upper Band, therefore, suggested that the KLCI was over-heated. Therefore, this may trigger a pull-back, thus a technical correction in the near future. Nonetheless, as long as the KLCI is supported by the rising EMA, the uptrend of the KLCI is likely to continue.

As pointed by B, total market volume on Friday retreated 8.2% while still above the 40 days VMA level. This suggested that the market participation was still relatively active. Therefore, provided that the volume is still above the 40 days VMA level, the positive market movement is likely to sustain. (Study B)

%K of the Stochastic touched the 100% level, suggested a first short-term over-bought signal. If the %D line crossed above 90% level, it would confirm the %K signal, and a technical correction is likely to take place. Nonetheless, provided the Stochastic is still above 70% level, the market movement for the short-term is still bullish. (Study C)