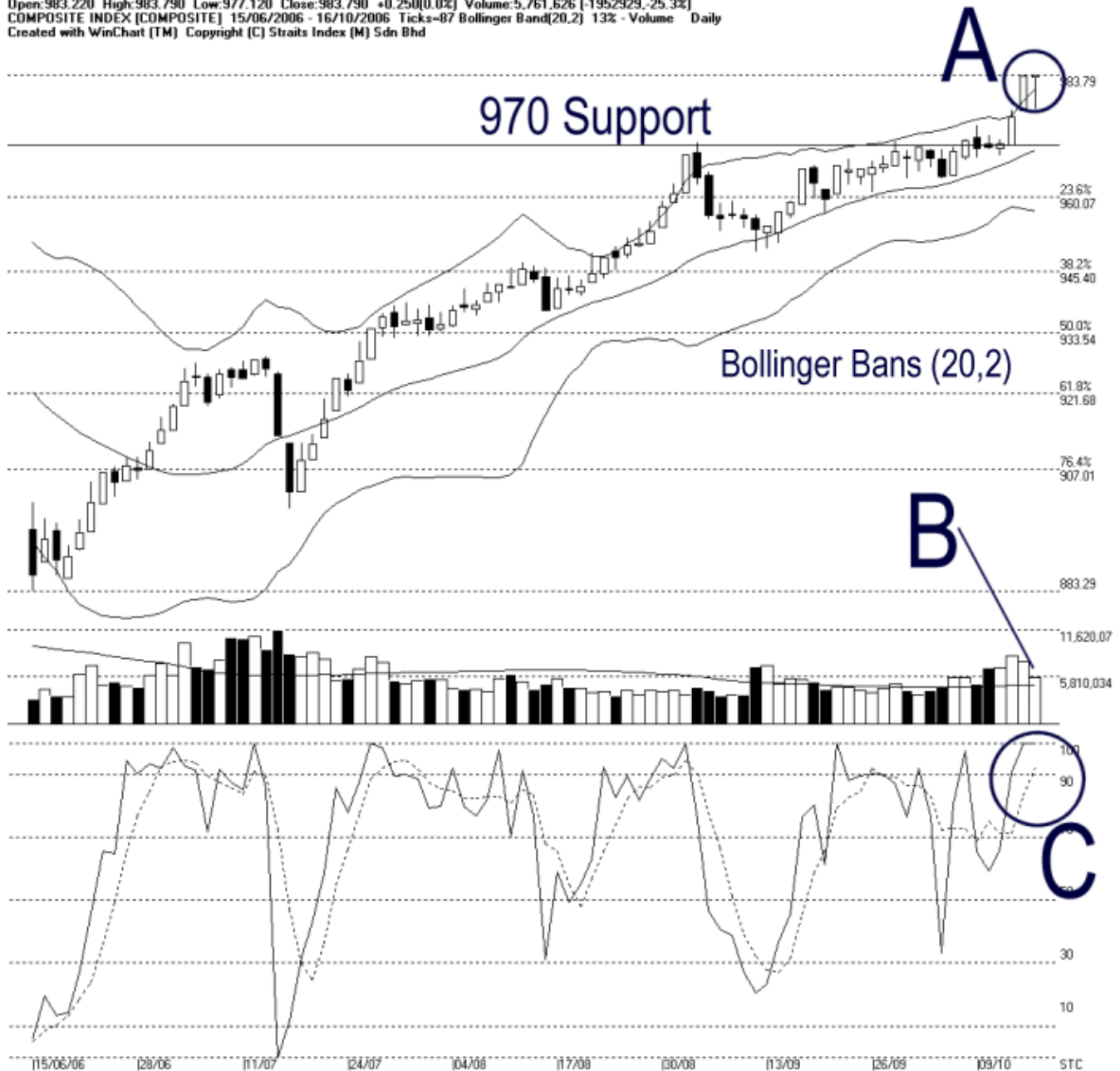




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:983.220 High:983.790 Low:977.120 Close:983.790 +0.250(0.0%) Volume:5.761.626 (-1952929,-25.3%)
COMPOSITE INDEX [COMPOSITE] 15/06/2006 - 16/10/2006 Ticks=87 Bollinger Band(20,2) 13% - Volume Daily
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Composite Index Daily Technical Analysis, 16/10/2006, by Straits Index (M) Sdn Bhd

KLCI pretty much stayed low on Monday and had a daily low at 977.12 points. However, with the last minute spike, the KLCI ended 0.25 of a point higher to close at 983.79 points. As circled by A, the KLCI remained above the 20 days Bollinger Upper Band, therefore, condition for the KLCI is still over-heated. Therefore, a technical correction is still imperative. Nevertheless, 970 should remained as

an important support to the KLCI.

As pointed by B, total market volume declined 25.3% while still higher than the 40 days VMA level. In general, a decline of volume during a correction phase is considered as healthy. However, if the KLCI were to continue its up trend, volume staying above the 40 days VMA level is crucial. (Study B)

As circled by C, both %K and %D line of the Stochastic are still situated above the 90% level, which is the short-term over-bought region. Therefore, the KLCI is still due for a technical correction. However, provided that the Stochastic could stay above the 70% level, market movement for the short-term is likely to stay bullish. (Study C)