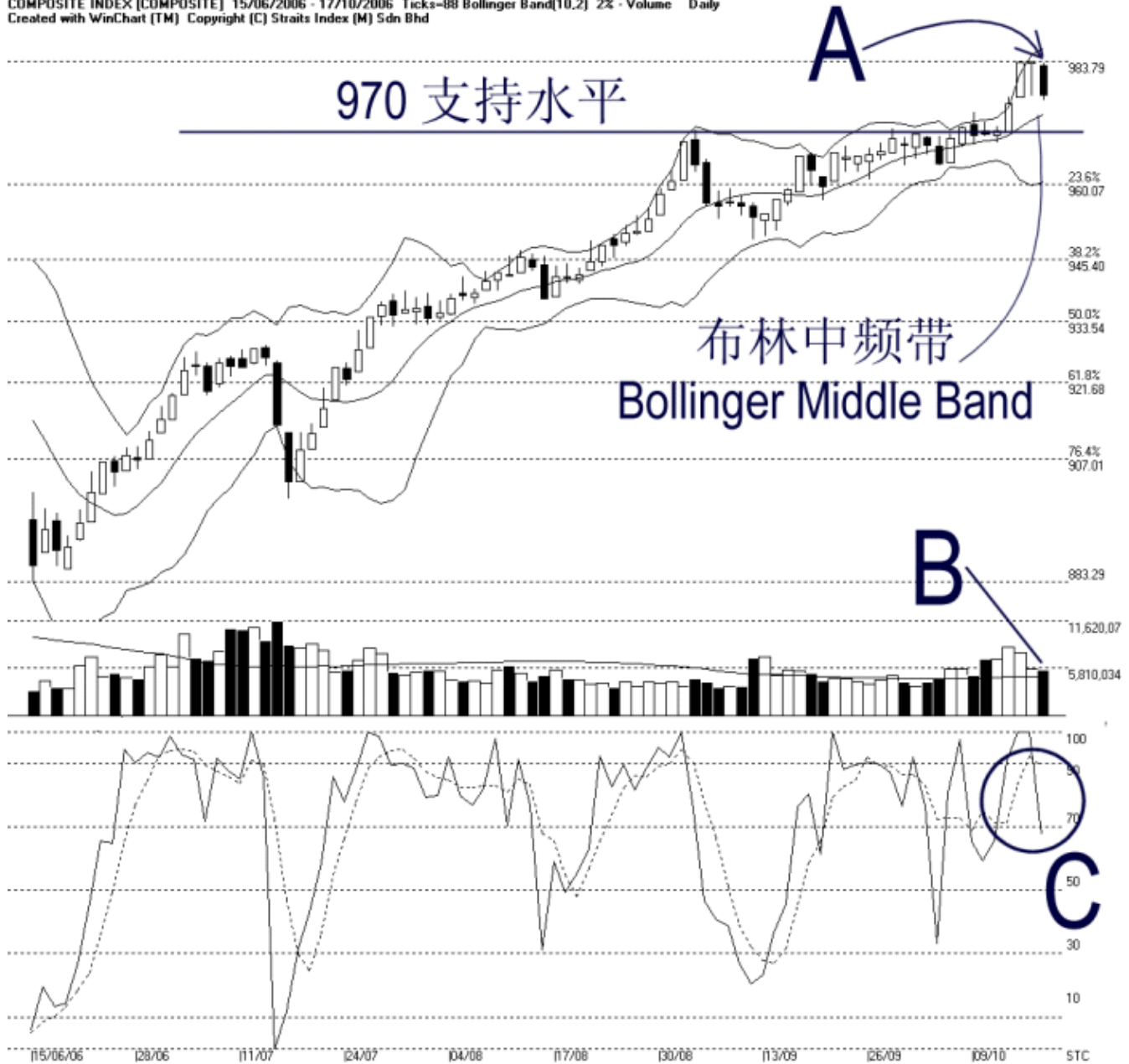




Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
 Tel: (03) 8941 6828
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Open:982.800 High:983.310 Low:976.160 Close:977.230 -6.560(-0.7%) Volume:5,665,447 (-96179,-1.7%)
 COMPOSITE INDEX [COMPOSITE] 15/06/2006 - 17/10/2006 Ticks=88 Bollinger Band(10.2) 2% - Volume Daily
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Composite Index Daily Technical Analysis, 17/10/2006, by Straits Index (M) Sdn Bhd

As mentioned on yesterday's analysis, the KLCI pulled-back after staying over-heated above the 20 days Bollinger upper band. In general, the target of the pull-back effect, a form of technical correction, is at the Bollinger middle band. If the KLCI could rebound from the Bollinger middle band after the correction, the uptrend of the KLCI is likely to sustain. Nonetheless, as pointed by A, the 983.79 points

would be the immediate resistance to the KLCI while another support is seen at 970.

As pointed by B, total market volume declined 1.73%. However, it was still above the 40 days VMA level, suggested that the market was still actively participated. While the KLCI is consolidating, a decrease in volume is usually a normal signal; but if the KLCI were to continue its uptrend, an increase of volume, which imply an in-flow of fresh capital into the market, is absolutely needed. (Study B)

%K Stochastic fell below the 70% level marginally, while %D line still remained above 70% level. Therefore, Stochastic is still suggesting a short-term bullish market movement. This short-term bullishness is expected to continue provided both lines of the Stochastic could remained above 70% level. (Study C)