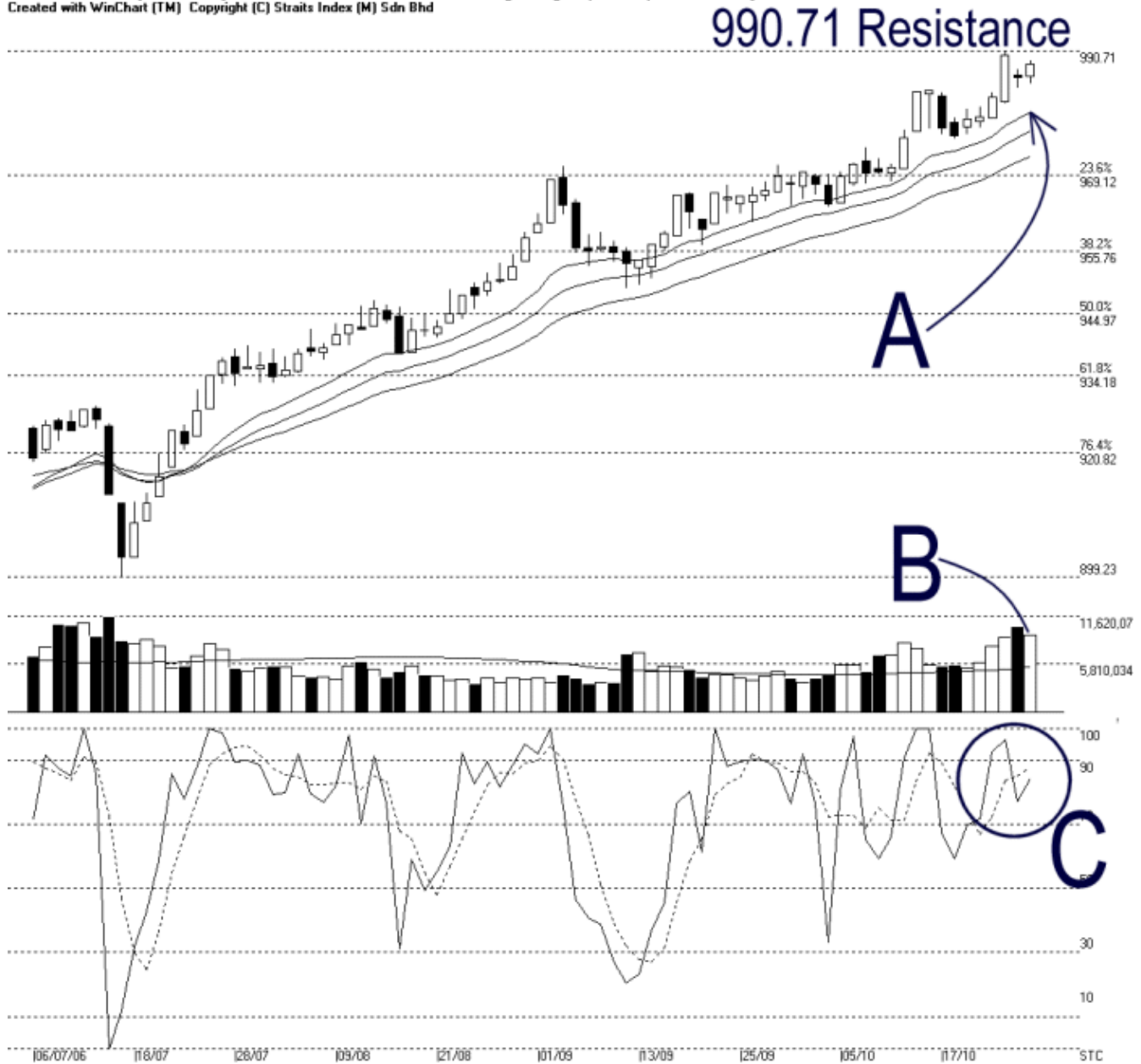




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
 Tel: (03) 8941 6828
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Open:986.190 High:988.930 Low:984.850 Close:988.300 +2.230(0.2%) Volume:9,306,311 (-1086708,-10.5%)
 COMPOSITE INDEX [COMPOSITE] 06/07/2006 - 31/10/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 31/10/2006, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI ended slightly higher, closing 2.23 points to 988.3 points. As pointed by A, the 14, 21, 31 EMA remained rising and continue serving as the dynamic support. As long as the KLCI is supported by this dynamic support, the up trend of the KLCI is likely to continue. However, 990.71 is still the upper hurdle. As a reminder, the 990 level was the resistance of the right

shoulder of the Head and shoulders Top in the year 2000. (Study A)

As pointed by B, total market volume on Tuesday, retreated 10.5% while remained above the 40 days VMA level. Therefore, this suggested that the market participation was still active. If the KLCI were to break above the resistance, a stronger volume is the absolute ingredient. (Study B)

As circled by C, Stochastic remained above the 70% level, suggested that the market movement for the short-term is still bullish. Therefore, provided that the Stochastic is still above the bullish region (70% and above), the bullish sentiment is expected to continue. (Study C)