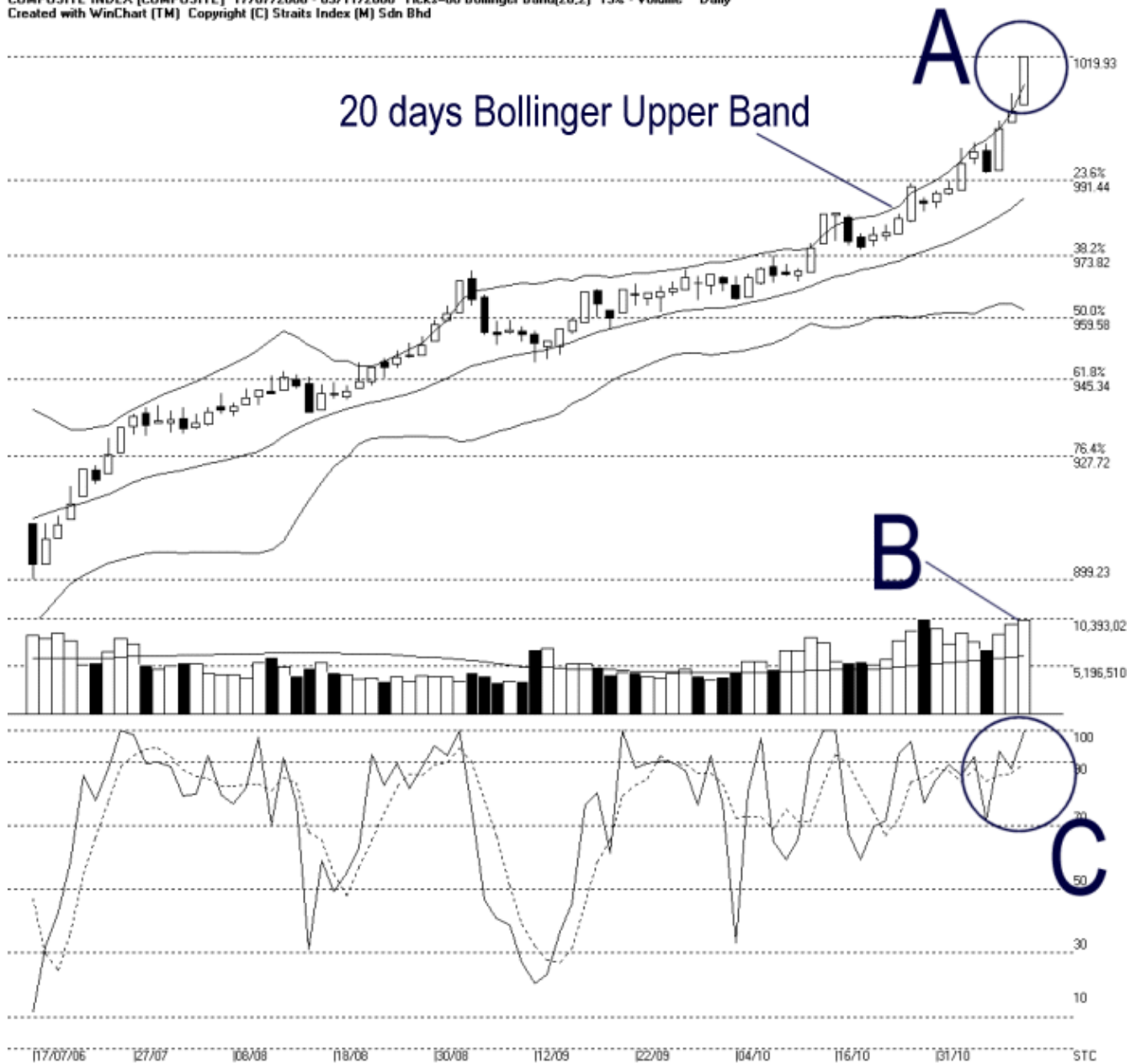




**Straits Index (M) Sdn Bhd.**  
**WinChart Technical Analysis**  
**Tel: (03) 8941 6828**  
**Fax: (03) 8941 9828**  
**email: [info@straitsindex.com](mailto:info@straitsindex.com)**

Open:1008.860 High:1019.930 Low:1008.760 Close:1019.930 +12.640(1.3%) Volume:10,214,270 (+372950.3.8%)  
 COMPOSITE INDEX [COMPOSITE] 17/07/2006 - 09/11/2006 Ticks=80 Bollinger Band(20.2) 19% - Volume Daily  
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



**Composite Index Daily Technical Analysis, 09/11/2006, by Straits Index (M) Sdn Bhd**

KLCI ended higher on Thursday, gaining a total of 12.64 points, closing at the intra-day high at 1019.93 points. As shown on the chart above, the KLCI is now a fraction away from the 1021 resistance. In addition, as circled by A, the KLCI is now over and above the 20 days Bollinger Upper Band, which suggested an over-heated condition. Therefore, together with the 1021 resistance level, the

KLCI is likely to have a technical correction in near term. However, with the 14, 21, 31 EMA still rising, and continue serving as the dynamic support, the outlook for the KLCI is still bullish.

Total market volume on Thursday gained 3.8% with around 1.02 billion shares. As pointed by B, volume remained above the 40 days VMA level and therefore the market was relatively well-participated. As long as the volume could remained active, the bullish sentiment is likely to continue. (Study B)

Stochastic %K touched 100% on Thursday, indicating a first short-term over-bought signal. This suggested that the KLCI was indeed over-heated thus a short-term correction is likely to take place. However, provided that the Stochastic could stay above 70% level, market movement for the short-term is still positive. (Study C)