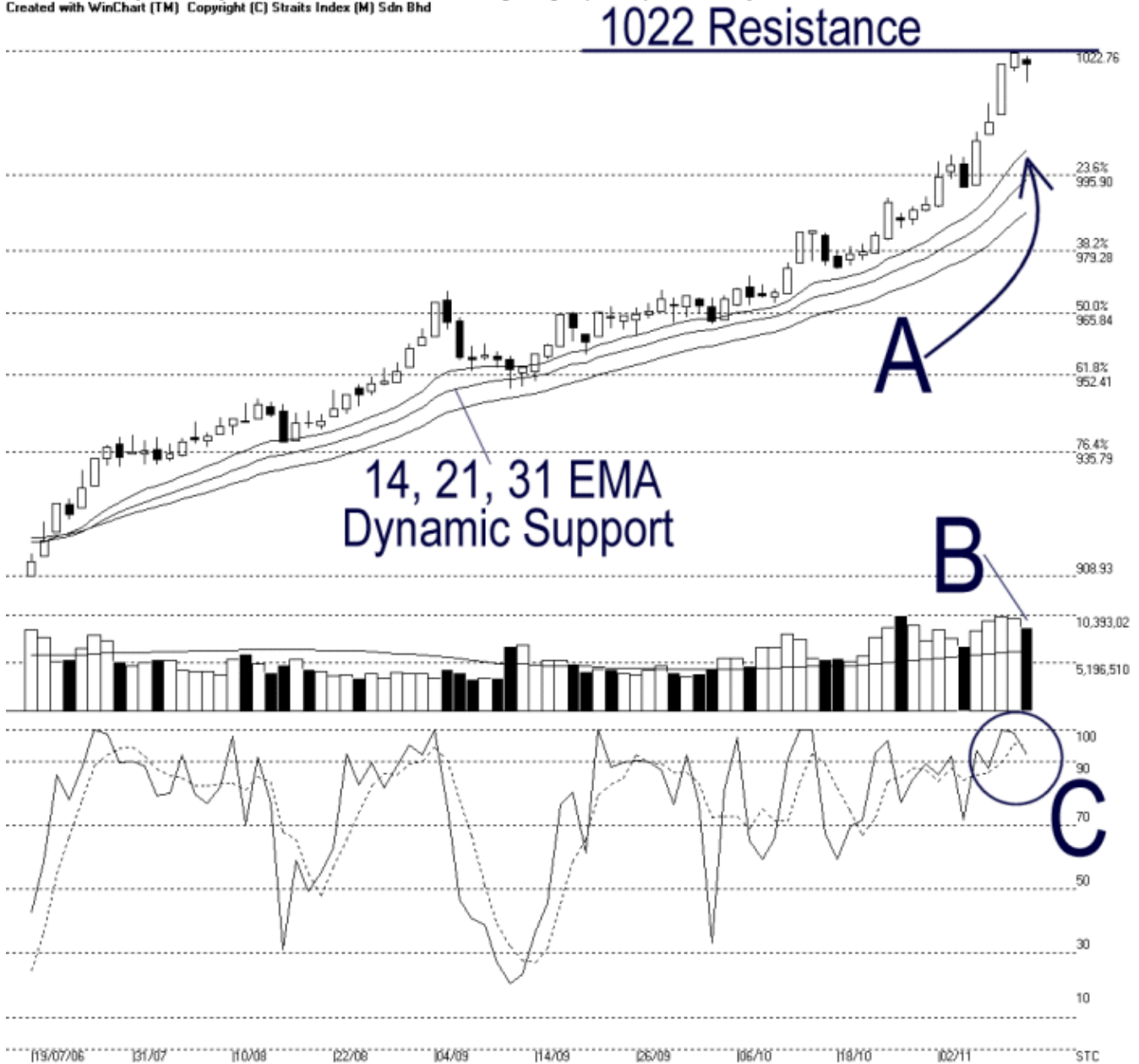




Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1020.680 High:1021.530 Low:1015.790 Close:1019.810 -2.490(-0.2%) Volume:9,044,124 (-1044290,-10.4%)
 COMPOSITE INDEX [COMPOSITE] 19/07/2006 - 13/11/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 13/11/2006, by Straits Index (M) Sdn Bhd

As mentioned on the previous analysis, the KLCI indeed pulled back as a form of technical correction. On Monday, the KLCI closed mixed, ended lower to 1019.81 points. Mean while, the rising 14, 21, 31 EMA is still serving as the dynamic support to the KLCI. Provided that the KLCI could rebound anywhere above the dynamic support, the uptrend of the KLCI is likely to continue. In addition, the 1000

points is the important support level.

Total market volume ended lower in line with the correction of the KLCI. On Monday, the volume declined 10.4%, while still standing above the 40 days VMA level. Generally, a lower volume during a correction is usually seen as a healthy correction, however, if the KLCI were to rebound and retest the 1022 resistance, a significant volume growth is required. (Study B)

As circled by C, Stochastic remained above the 90% level, which is the short-term over-bought region. This suggested that the market movement for the short-term is over-heated, and therefore, a short-term correction is expected. Nonetheless, provided that the Stochastic could remained above the 70% level, market movement for the short-term is still bullish. (Study C)