



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1028.670 High:1039.060 Low:1027.570 Close:1037.600 +9.220(0.9%) Volume:12,061,820 (+2369283.24.4%)
 COMPOSITE INDEX [COMPOSITE] 24/07/2006 - 16/11/2006 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 16/11/2006, by Straits Index (M) Sdn Bhd

KLCI ended higher on Thursday, closing the day 9.22 points higher to 1037.6 points. As shown on the chart above, the KLCI had an intra-day high at 1039.06 points, which is almost the same level with 1038.78 point, which was the 23.6% Fibonacci Retracement level from the 1278.94 points high in the year of 1997. Mean while, as pointed by A, the 14, 21, 31 EMA is still rising while continue serving as

the dynamic support to the KLCI. Therefore, provided that the EMA is still rising and the KLCI is still supported by the EMA, the uptrend shall continue. (Study A) In addition, support also seen at 1022 level as well as the 1000 psychological level.

Total market volume increased 24.4% with the KLCI making another new high. At the moment the 40 days VMA line is still on the rise, this suggested that the volume of the entire market is still on increasing. Provided that the volume could maintain above the 40 days VMA, the bullish sentiment for the market is likely to sustain. (Study B)

Despite the KLCI making new high, readers are advised to monitor the MACD histogram. If the histogram formed a rounding top, that would be the signal for a weakening bullish signal, thus a correction is likely. However, provided that the MACD line does not cross below the Trigger line, no bearish signal is sighted. (Study C)