



**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: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  
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



**Composite Index Daily Technical Analysis, 17/11/2006, by Straits Index (M) Sdn Bhd**

KLCI traded with a mixed sentiment on Friday, closing 3.19 points to 1040.79 points. As shown on the chart above, although the KLCI closed above the 1038.78 level, it is still too early to confirm the break out. Therefore, the KLCI is still in the border line of the 1038.78 resistance. Nevertheless, as pointed by A, the 14, 21, 31 EMA is still rising and continue serving as the dynamic support to the

KLCI. Other supports are found at 1022 level and 1000 level respectively.

Total market volume on Friday ended almost unchanged. Nonetheless, the volume was above the 40 days VMA level suggested that the market was still relatively active. Despite the over-heated condition of the KLCI at the current moment, the bullish sentiment is likely to sustain as long as the volume could remained above the 40 days VMA level. (Study B)

With the KLCI staying over-heated in the short-term, it pays to study the development of the MACD histogram. If the histogram formed a rounding top, it would suggest a weakening of the bullish signal thus the beginning of a technical correction. (Study C)