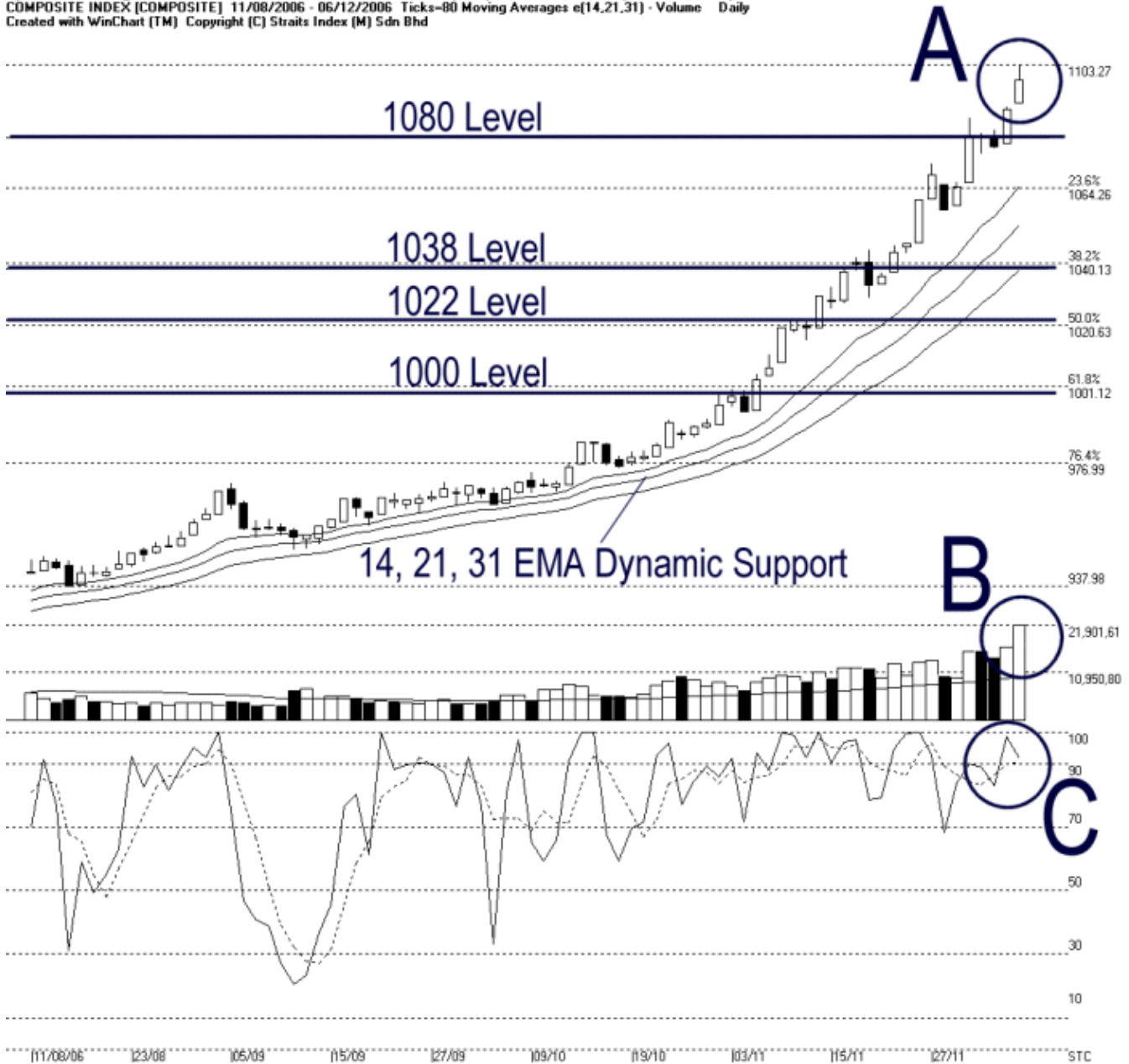




Straits Index (M) Sdn Bhd.  
 WinChart Technical Analysis  
 Tel: (03) 8941 6828  
 Fax: (03) 8941 9828  
 email: [info@straitsindex.com](mailto:info@straitsindex.com)

Open:1090.960 High:1103.270 Low:1090.960 Close:1098.350 +9.390(0.9%) Volume:21,901,608 (+5048140,30.0%)  
 COMPOSITE INDEX [COMPOSITE] 11/08/2006 - 06/12/2006 Ticks=80 Moving Averages e(14,21,31) - Volume Daily  
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**Composite Index Daily Technical Analysis, 06/12/2006, by Straits Index (M) Sdn Bhd**

On Wednesday, the KLCI touched another multi-year new high at 1103.27 points, while closed at 1098.35 points. As circled by A, the KLCI is now testing the 1100 round number psychological resistance level. Nevertheless, the rising 14, 21, 31 EMA is still serving as the dynamic support and provided that the KLCI could be supported by this dynamic support, the outlook for the KLCI is still positive bias.

In addition to the new high of the KLCI, the total market volume also made an all time high with over 2.19 million shares traded. However, this spike of volume has implied some profit taking activities or selling pressure at the 1100 resistance level, and therefore, chances for a correction is unavoidable. Nevertheless, if the volume could reduce during a technical correction, it would most likely be a healthier consolidation. (Study B)

Both %D and %K are still above the 90% level, which suggested that the KLCI short-term movement is indeed still over-heated. Therefore, a technical correction is due to take place, and if the Stochastic could remained above 70% level after the correction, market movement for the short-term is likely to stay positive. (Study C)