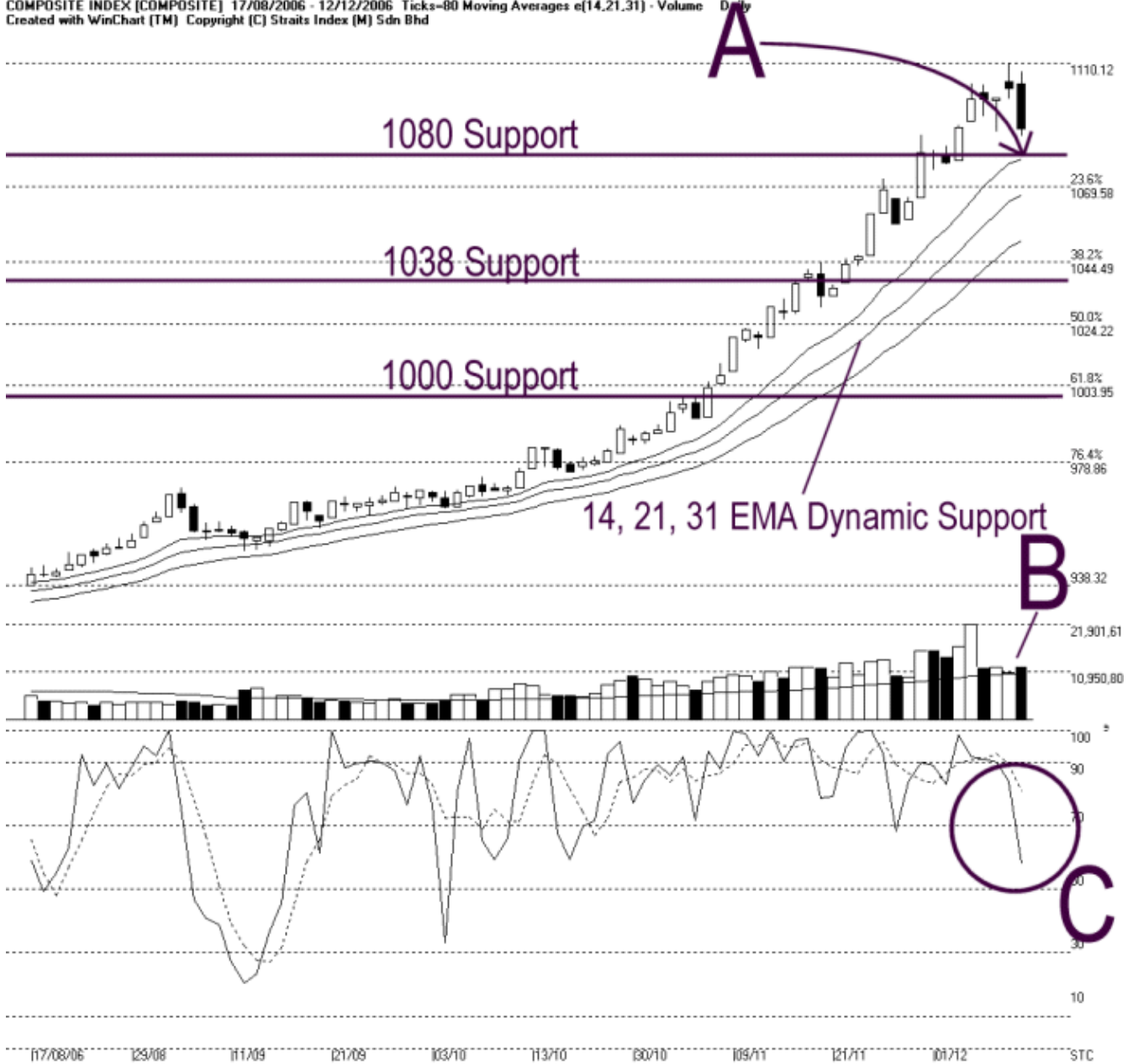




Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1103.210 High:1107.130 Low:1085.810 Close:1088.420 -13.280(-1.2%) Volume:12,294,422 (+1480068,13.7%)
 COMPOSITE INDEX [COMPOSITE] 17/08/2006 - 12/12/2006 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 12/12/2006, by Straits Index (M) Sdn Bhd

On Tuesday, the KLCI technically corrected 13.28 to close at 1088.42 points. As pointed by A, the KLCI is now testing the support at 1080 level which is also the dynamic support of the 14, 21, 31 EMA. Other supports are found at 1038 and 1000 points level respectively. (Study A).

Total market volume on Tuesday rose 13.7%, while the KLCI technically corrected 13.28 points. As

mentioned on last week's analysis, when volume made an all time new high it usually suggests some profit taking activity thus the market was likely have a correction. At the moment, volume remained relatively low, and therefore, the KLCI is unlikely to resume its uptrend. (Study B)

Stochastic %K fell below 70% which signaled an end to the short-term bullish. If the %D line fell below 70% level, it shall confirm the %K signal and the market movement for the short-term would turn to neutral from bullish. (Study C)