



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

Open:1078.200 High:1083.750 Low:1077.260 Close:1083.220 +5.070(0.5%) Volume:6,878,179 (+2499948,57,1%)
COMPOSITE INDEX [COMPOSITE] 01/09/2006 - 27/12/2006 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 27/12/2006, by Straits Index (M) Sdn Bhd

As pointed by A, the KLCI broke above the 1080 resistance by margin, closing the day at 1083.22 points, up 5.07 points. The break out of the resistance is yet to be confirmed, but nevertheless, with the KLCI remained above the 14, 21, 31 EMA, the 14, 21, 31 EMA shall serve as the dynamic support to the KLCI. The next resistance for the KLCI is at 1110 Fibonacci Retracement.

Total market volume on Wednesday gained 57.1%, however, it was still below the 40 days VMA level. Therefore, the overall market participation was still relatively light thus failing to confirm the break out of the 1080 resistance. Still, if volume could pick up and break above the 40 days VMA level, the market sentiment is expected to improve. (Study B)

As circled by C, %K of the Stochastic breached above 70% level and triggered the 1st short-term bullish signal. If the %D line could break above 70% level, it shall confirm the %K signal, and the market movement for the short-term is likely to turn from neutral to bullish. (Study C)