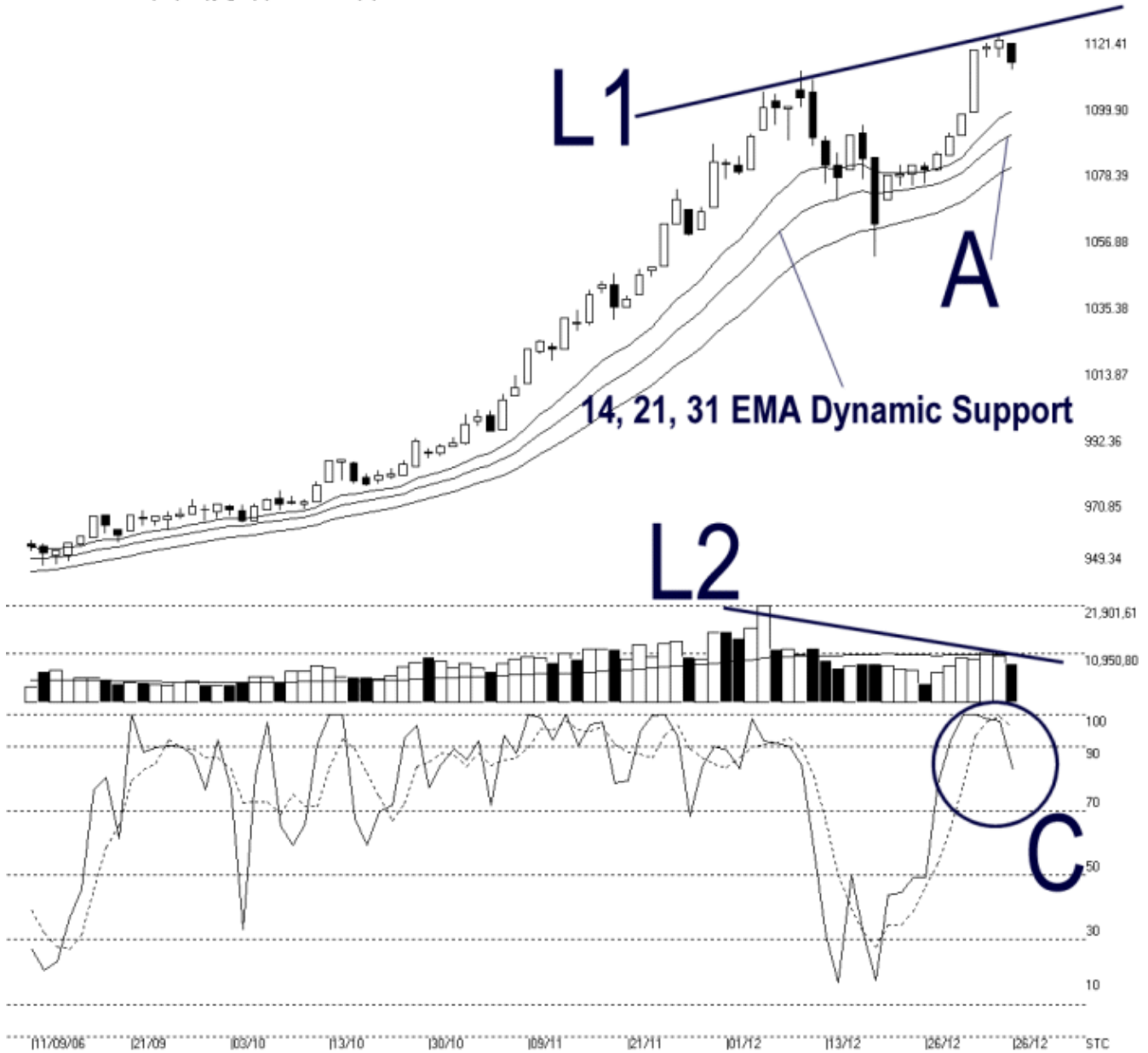




**Straits Index (M) Sdn Bhd.**  
**WinChart Technical Analysis**  
**Tel: (03) 8941 6828**  
**Fax: (03) 8941 9828**  
**email: [info@straitsindex.com](mailto:info@straitsindex.com)**

Open:1119.000 High:1119.000 Low:1110.380 Close:1113.020 -7.380(-0.7%) Volume:8,760,189 (-1752916,-16.7%)  
 COMPOSITE INDEX [COMPOSITE] 11/09/2006 - 08/01/2007 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, 08/01/2007, by Straits Index (M) Sdn Bhd**

As shown on the chart above, the KLCI ended lower on Monday, technically corrected 7.38 points to close at 1113.02 points. At the moment, the immediate resistance of the KLCI is seen at 1121.41 point; and the technical correction is likely to continue, with the support at the 14, 21, 31 EMA dynamic support.. If the KLCI could be supported by the 14, 21, 31 EMA, the outlook for the KLCI remained positive bias. (Study A)

As shown by L1 and L2, the KLCI had a volume divergence signal where the KLCI made a higher peak but volume, on the other hand, failed to break above the previous peak. This suggested that the market participation or the inflow of market capital was relatively insufficient to support the new high. Therefore, at the moment, the sustainability of the bullishness is still questionable. Nevertheless, the KLCI is likely to stay in a correction stage and no bearish trend has been sighted for the KLCI is still supported by the dynamic support. (Study L1 and L2)

%K of Stochastic fell below 90% level, suggested a technical correction for the KLCI. Provided that the stochastic could remained above the 70% level, the market movement for the short-term is still bullish bias. (Study C)