



**STRAITS  
index**

Straits Index (M) Sdn Bhd.  
 WinChart Technical Analysis  
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Open:1114.390 High:1121.600 Low:1113.990 Close:1118.960 +5.940(0.5%) Volume:10,540,962 (+1780773,20.3%)  
 COMPOSITE INDEX [COMPOSITE] 12/09/2006 - 09/01/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily  
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**Composite Index Daily Technical Analysis, 09/01/2007, by Straits Index (M) Sdn Bhd**

As shown on the chart above, the KLCI retested its resistance at 1121 level and remained resisted. At the moment, the KLCI movement is at sideways while the support is still seen as the 14, 21, 31 EMA dynamic support. (Study A) Provided that the KLCI could still be supported by the dynamic support, the outlook for the KLCI is likely to stay positive bias.

Total market volume on Tuesday gained 20.3% while almost touching the 40 days VMA level. Overall, the market participation is still considered insufficient for a break out above the 1121 resistance. If volume could pick up and stay above the 40 days VMA level, the bullish sentiment may improve. Mean while, as indicated by L1 and L2, the volume divergence signal remained intact. Therefore, the sustainability of the bullish sentiment is still questionable. (Study L1 and L2)

As circled by C, Stochastic %D remained above the 90% level, suggested that the KLCI is still situated at an over-bought region. However, provided that the Stochastic could stay above 70% level, the market movement for the short-term is likely to stay bullish. (Study C)