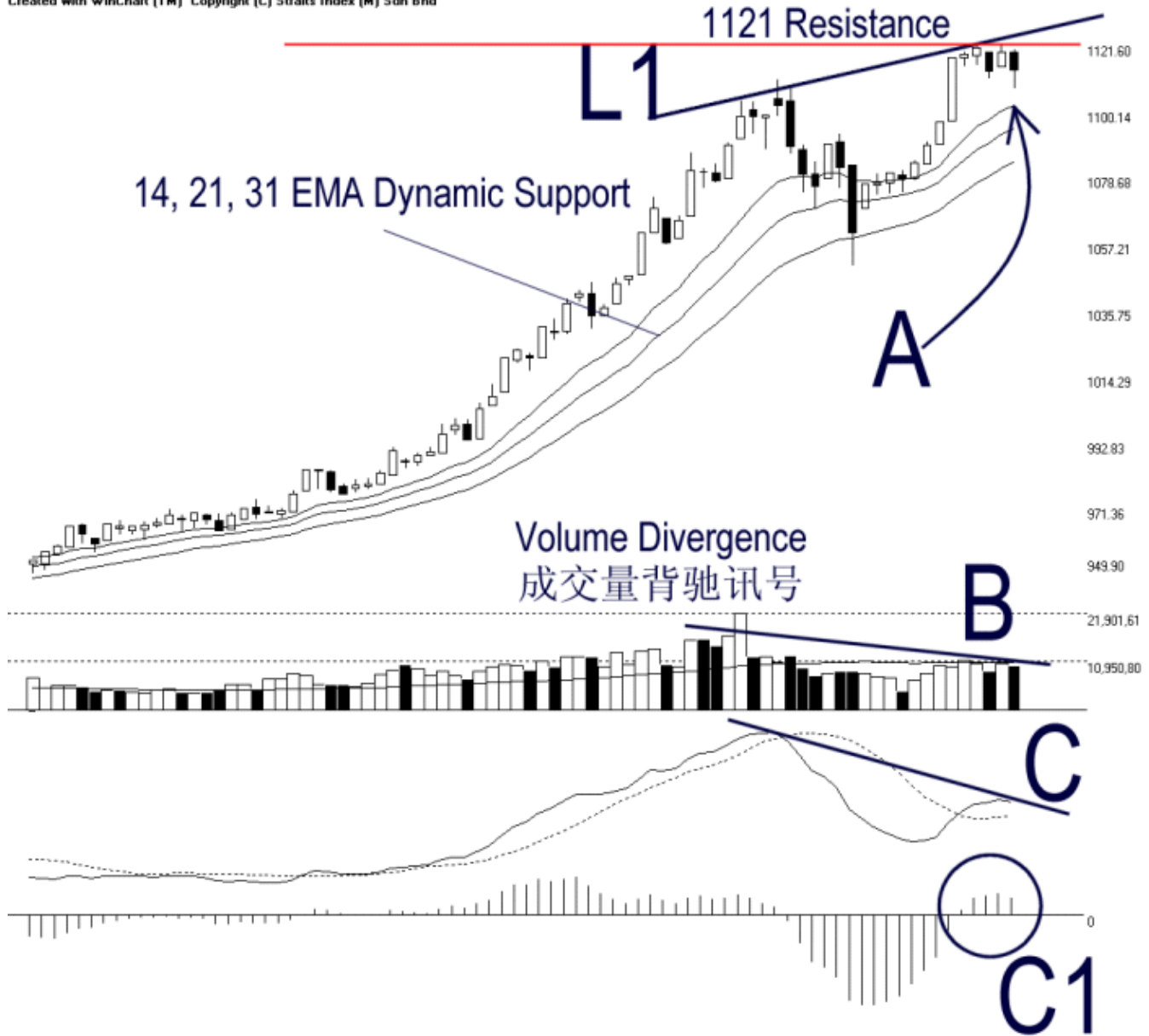




Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:1118.900 High:1119.740 Low:1107.020 Close:1113.190 -5.770(-0.5%) Volume:10,008,831 (-532131,-5.0%)  
COMPOSITE INDEX [COMPOSITE] 13/09/2006 - 10/01/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily  
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### Composite Index Daily Technical Analysis, 10/01/2007, by Straits Index (M) Sdn Bhd

KLCI continued its technical correction on Wednesday, ended the day 5.77 points lower to 1113.19 points. As shown on the chart above, the KLCI immediate resistance remained at 1121 level while the immediate support is seen at 14, 21, 31 EMA dynamic support. (Study A). If the KLCI could rebound from the dynamic support, the outlook for the KLCI is still positive bias.

However, as indicated by L1, the volume divergence signal remained intact suggested that the overall market participation was relatively still insufficient. Therefore, if the market participation remained low with insufficient inflow of fresh capital, the KLCI is likely to stay below the resistance of 1121 level. (Study B)

As shown by C, MACD line was slightly pointing down on Wednesday closing, therefore, suggested a Class A bearish divergence signal. The divergence signal implies some weakness in the KLCI, thus suggested a bearish movement. Provided that the MACD line is still moving below the falling line C, the bearish divergence shall continue, and the KLCI is likely to stay weak, unless the MACD line could break above the falling line C, which would suggest an end to the divergence signal.

Mean while, as circled by C, MACD histogram also ticked lower and formed a rounding top. This suggested that the bullish MACD signal which was triggered on last Thursday is now weakening. Provided that the histogram is falling, the market movement for the short-term is likely to stay weak.