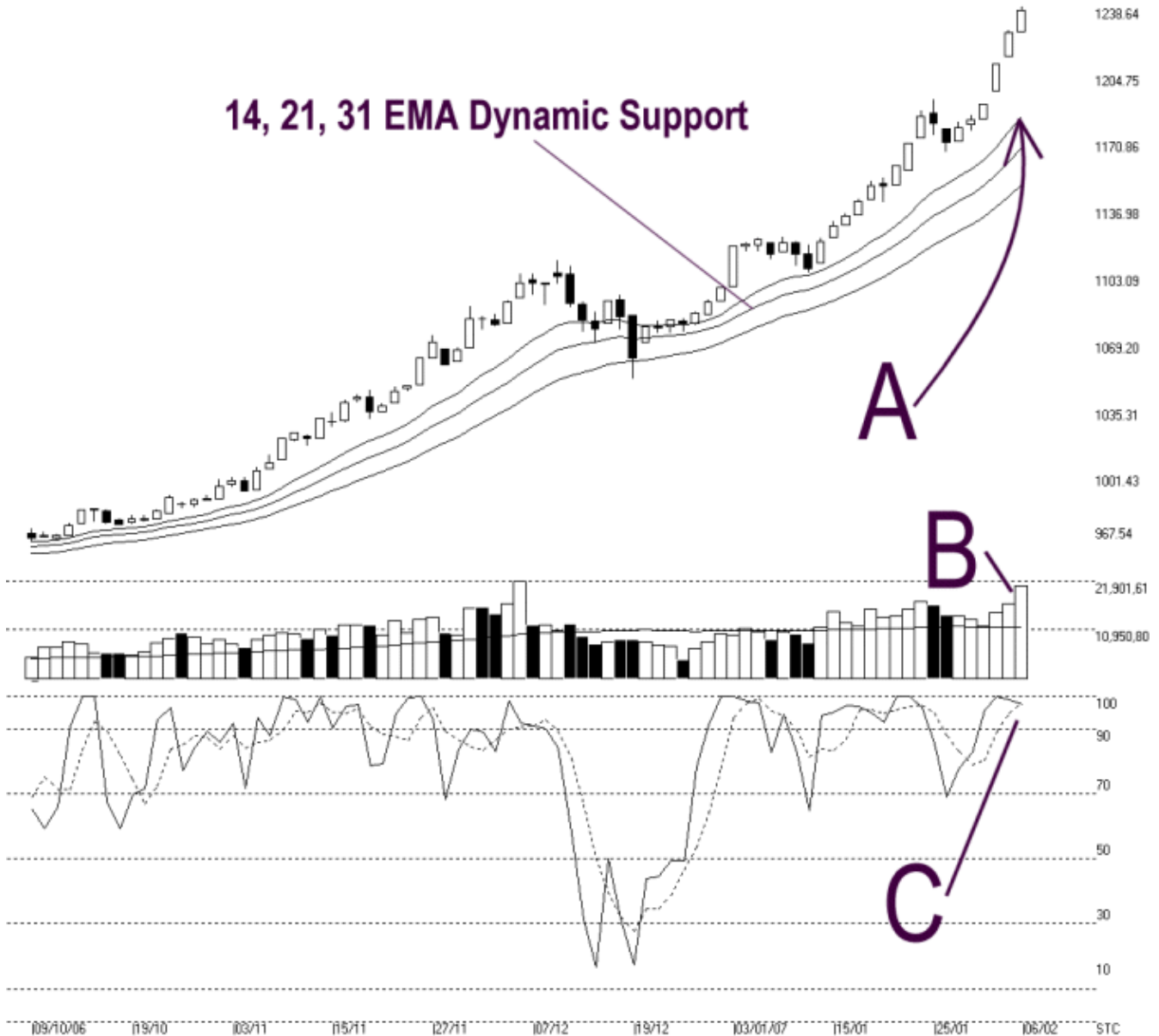




Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1226.260 High:1238.640 Low:1226.210 Close:1236.630 +10.900(0.9%) Volume:20,946,032 (+4055808.24.0%)
 COMPOSITE INDEX [COMPOSITE] 09/10/2006 - 06/02/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 06/02/2007, by Straits Index (M) Sdn Bhd

KLCI ended higher on Tuesday, making yet another multi-year new high at 1236.63 points. As pointed by A, the 14, 21, 31 EMA remained rising while continued serving as the dynamic support to the KLCI. Nevertheless, the 1191 remained as the support level.

As pointed by B, total market volume rose 24%, with over 2 billion shares traded. The increased of

volume added strength to the KLCI rally, but at the same time, increasing the risk of a technical correction. Based on the historical behavior of the KLCI, whenever the total market volume hit the highest level, it usually imply that the market is about to retreat, thus a correction. Nevertheless, with volume staying above 40 days VMA level, the market sentiment as a whole is still bullish. (Study B)

Stochastic remained above 90%, which is the short-term over-bought region. This suggested that the short-term movement for the KLCI is indeed over-heated, thus the KLCI is due for a technical correction. However, with Stochastic staying above 70% level, the market movement for the short-term remained bullish bias. (Study C)