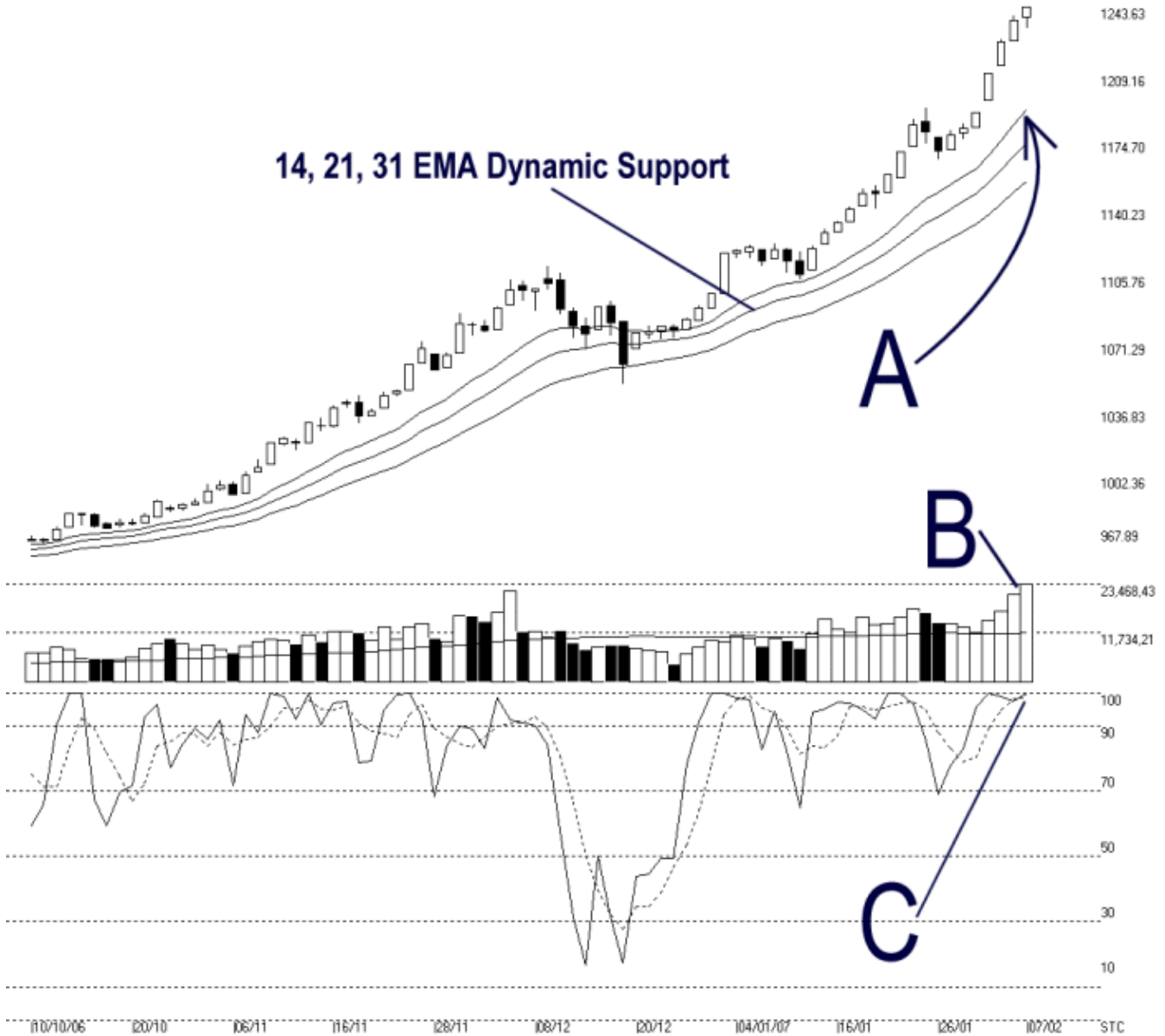




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1238.140 High:1243.630 Low:1232.570 Close:1243.570 +6.94(0.6%) Volume:23,468,434 (+2522402,12.0%)
COMPOSITE INDEX [COMPOSITE] 10/10/2006 - 07/02/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 07/02/2007, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI ended 6.94 points higher to 1243.57 points. As shown on the chart above, the KLCI rose for 7 consecutive days without any correction. Nevertheless, as pointed by A, the 14, 21, 31 EMA is still the rising dynamic support to the KLCI, and therefore, the KLCI is still in its bullish uptrend.

As pointed by B, total market volume rose another 12%, with over 2.34 billion shares traded, which marked another all time new higher of the market volume. The increase of volume is generally viewed as a sign of market strength. However, based on the historical behavior of the KLCI, whenever the total market make a significant new high with the KLCI also making new high, it usually suggested a beginning of a correction. (Study B)

Stochastic remained above 90% short-term over-bought region, suggesting that the KLCI short-term movement is still over-heated. If the Stochastic fell below 90% level, it would be the signal suggesting the beginning of a technical correction. Nevertheless, with Stochastic staying above 70% level, the market movement for the short-term is still bullish bias. (Study C)