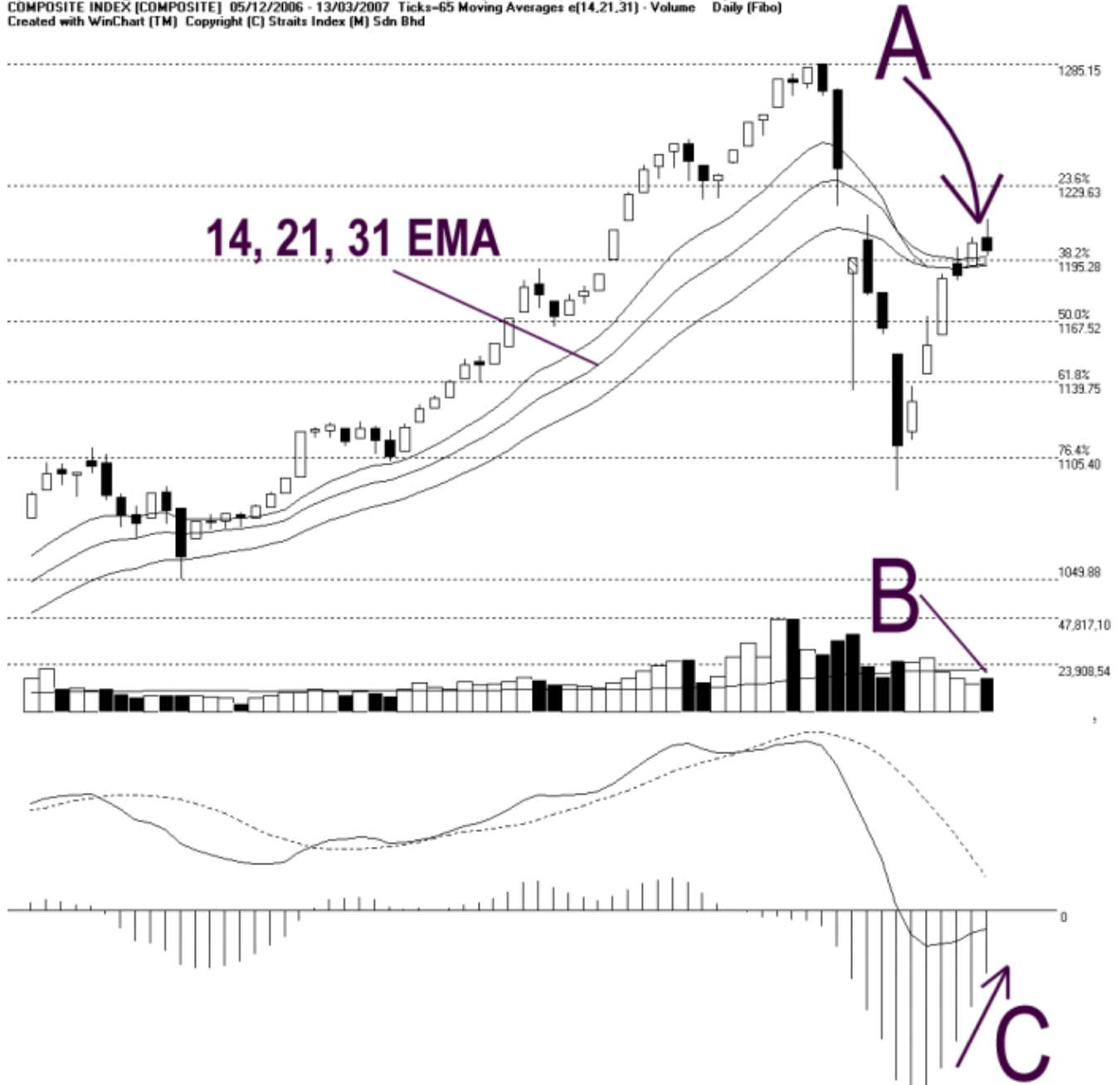




Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:1205.630 High:1214.150 Low:1197.580 Close:1200.010 -3.280(-0.3%) Volume:17,365,542 (+3093421,21.7%)  
COMPOSITE INDEX [COMPOSITE] 05/12/2006 - 13/03/2007 Ticks=65 Moving Averages e[14,21,31] - Volume Daily (Fibo)  
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### Composite Index Daily Technical Analysis, 13/03/2007, by Straits Index (M) Sdn Bhd

As pointed by A, after breaking above the 14, 21, 31 EMA on Monday, the KLCI started to retreat on Tuesday with a daily high touching 1214.15 points. The 1215 to 1220 level was the gap which took place on the 28<sup>th</sup> of February. Therefore, the KLCI is now temporary resisted by the psychological level of the gap at 1215 – 1220 level. If the KLCI fell below 14, 21, 31 EMA, the EMA shall resume its role as the descending dynamic resistance to the KLCI.

Total market volume on Tuesday gained 21.7%, but remained below the 40 days VMA level. This suggested that the overall market is still lightly participated. This also suggested that the break out of Monday was not confirmed, due to insufficient volume. If the market volume remained below the 40 days VMA level, the outlook for the KLCI is likely to stay sideways to negative bias. (Study B)

As indicated by C, the MACD histogram continued rising, suggested a technical rebound, or a weakening bearish signal. However, the MACD has not triggered any bullish signal. Therefore, if the MACD histogram started falling, and formed a rounding top, it would suggested a resume of the bearish signal. (Study C)