



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1363.210 High:1367.400 Low:1357.540 Close:1365.280 +1.880(0.1%) Volume:19,238,579 (+3903868,25.5%)
 COMPOSITE INDEX [COMPOSITE] 08/01/2007 - 07/05/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 07/05/2007, by Straits Index (M) Sdn Bhd

The KLCI ended mixed on Monday, closing 1.88 points higher to 1365.28 points. As shown on the chart above, the 1332 is still the immediate support level, while the 14, 21, 31 EMA is still serving as the the dynamic support to the KLCI. (Study A) If the KLCI should continue situating above the rising

dynamic support, the outlook for the KLCI shall remain bullish.

Total market volume increased 25.5% on Monday. As indicated by B, total market volume managed to break above the 40-day VMA level, suggesting that the overall market is now actively participated. If the KLCI should stay above the dynamic support, with volume staying above the 40-days VMA level, the bullish sentiment is expected to continue. (Study B)

As circled at C, Stochastic %D has breached above the 90% level, entering the short term over-bought region. This suggests the market is temporary over heated, and therefore, there is a risk of a technical correction. However, if the Stochastic should stay above the 70% level after the possible technical correction, the market movement for the short term shall remained bullish biased. (Study C)