



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1367.350 High:1368.870 Low:1348.760 Close:1354.670 -10.61(-0.82) Volume:14,371,105 (-4867474,-25.32)
 COMPOSITE INDEX [COMPOSITE] 09/01/2007 - 08/05/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 08/05/2007, by Straits Index (M) Sdn Bhd

The KLCI retreated 10.61 points on Tuesday closing at 1354.67 points. As shown on the chart above, the KLCI is having its technical correction, while testing the support at 1332 support level. Meanwhile, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support to the KLCI. If the KLCI

should rebound from the dynamic support after this technical correction, the uptrend would resume.

Total market volume declined another 25.3% on Tuesday, with only 143.7 million shares traded. As indicated by B, total market volume stood below the 40-day VMA level, suggested that the technical correction was rather healthy. However, if the KLCI should resume its uptrend, we must have the market volume above the 40-day VMA level in order to sustain the bullish sentiment. (Study B)

Stochastic %K fell below the 90% level on Tuesday, suggested a technical correction signal. However, if the Stochastic should remain above the 70% level after this technical correction, the market movement for the short term is still bullish biased. (Study C)