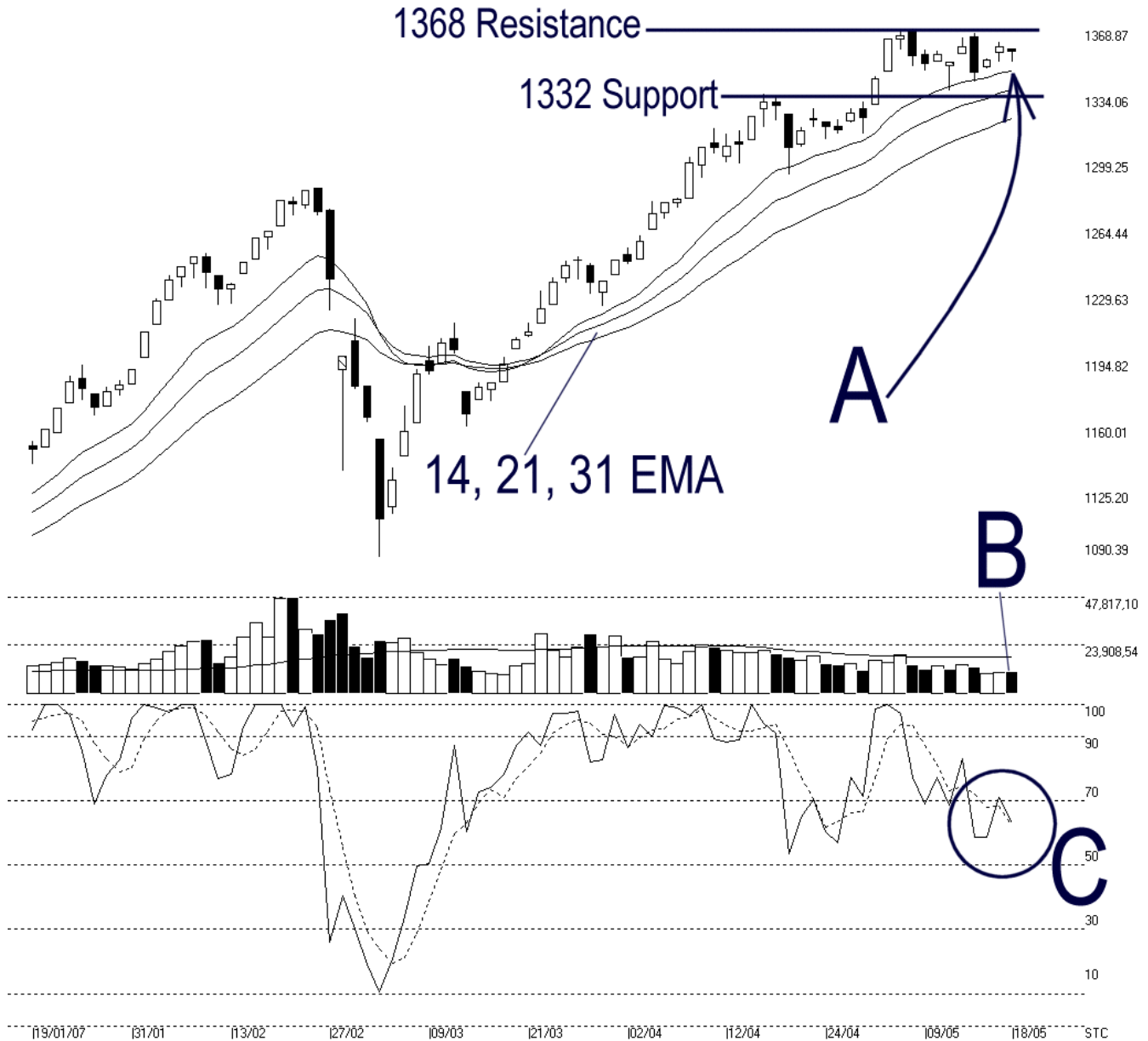




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1358.190 High:1358.270 Low:1351.030 Close:1356.840 -2.530[-0.2%] Volume:10,996,574 [+422688,4.0%]
 COMPOSITE INDEX [COMPOSITE] 19/01/2007 - 18/05/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 18/05/2007, by Straits Index (M) Sdn Bhd

On Friday, the KLCI remains in the trading range between the 1368 resistance and the 1332 support, while continue supported by the 14, 21, 31 EMA dynamic support. At the moment, the outlook for the KLCI is mixed as it is still consolidating at a narrow range. Therefore, readers are advised to monitor

any break out from this consolidation. If the KLCI should break out above the 1368 resistance level, it must be confirmed with a significant increased of volume.

As as Friday, the total market volume remains below the 40-day VMA level, suggesting that the market is still lightly participated. The lower market volume also suggests a lack of inflow of fresh capital, and therefore, the KLCI is unlikely to regain its strength without a significant increase of volume. (Study B)

As circled at C, the Stochastic failed to sustain above the 70% level, and therefore, it is now remains in the neutral region. Nevertheless, the Stochastic must stay above the 70% level, in order to signal a short term bullish biased market movement. (Study C)