



**STRAITS
index**

Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1360.300 High:1374.540 Low:1356.780 Close:1360.270 +0.200(0.0%) Volume:9.418.192 (+934010.11.0%)
 COMPOSITE INDEX [COMPOSITE] 06/02/2007 - 04/06/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 4/06/2007, by Straits Index (M) Sdn Bhd

The KLCI had an early gain on Monday, breaking above the 1368 resistance with a daily high touching at 1374.54 points. However, the early gain was soon given back as a sign of some selling pressure at the 1368 resistance level. As shown on the chart above, the trading range of the KLCI remains intact

while, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support to the KLCI.

Total market volume increased another 11% on Monday with about 941 million shares traded. However, as indicated by B, the total market volume remains below the 40-day VMA level, suggesting that the overall market participation is still low. Therefore, if the KLCI should break the resistance at 1368 with such relatively low volume, the break out signal would not be convincing.

As circled at C, the %K line remains in above the 70% level while awaiting a confirmation of the %D line. If the %D line should break above the 70% level, it shall confirm the %K signal and the market movement for the short term would be bullish biased. At the moment, the Stochastic is still showing a neutral signal. (Study C)