



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
 Tel: (03) 8941 6828
 Fax: (03) 8941 9828
 email: info@straitsindex.com

Open:1361.190 High:1369.590 Low:1354.930 Close:1369.590 +9.320(0.7%) Volume:12,621,207 (+3203015.34.0%)
 COMPOSITE INDEX [COMPOSITE] 07/02/2007 - 05/06/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 5/06/2007, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI tested the 1368 resistance, closing 9.32 points higher to 1369.59 points. If the KLCI should break above the 1368 successfully, the 14, 21, 31 EMA (as indicated by A) shall continue serving as its dynamic support, and the outlook for the KLCI would be

bullish biased.

As indicated by B, total market volume also increased 34% and getting closer to the 40-day VMA level. If the volume should increase and break above the 40-day VMA level, the market sentiment is likely to improve. Nevertheless, the increase of volume above the 40-day VMA level is needed to sustain the KLCI rally.

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 Stochastic %D line breaks above the 70% level, confirming the %K signal. At the moment, the Stochastic is showing a short term bullish signal. Therefore, provided that the Stochastic is staying above the 70% level, the market movement for the short term is likely to be bullish biased.