



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1356.490 High:1362.250 Low:1353.890 Close:1357.180 +4.150(0.3%) Volume:13,543,282 (+2095380,18.3%)
COMPOSITE INDEX [COMPOSITE] 16/02/2007 - 14/06/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 14/06/2007, by Straits Index (M) Sdn Bhd

The KLCI ended mixed on Thursday, closing 4.15 points higher to 1357.18 points. As shown on the chart above, the KLCI remains in its trading range of the 1368 resistance and the 1332 support. Therefore, the market direction is still unclear. Also, as indicated by A, the 14, 21, 31 EMA is still

serving as the dynamic support to the KLCI.

Not much changes in the market volume as the total market volume on Thursday only increased 18.3%. Volume on Thursday breaks above the 40-day VMA level by margin. If the volume should increase and remains above the 40-day VMA level, it would improve the market sentiment, and chances for the KLCI is breaking above the 1368 resistance would be higher. (Study B)

As circled at C, the Stochastic is still showing a short term neutral signal, suggesting a neutral market movement for the short term. Since Stochastic is a rather sensitive indicator, and therefore it is a good idea to monitor any changes of signal which could be treated as an early warning signal. If the Stochastic should break above the 70% level, it would be a short term bullish signal. Other wise, if the Stochastic should break below the 30% level, it would be a short term bearish signal. (Study C)