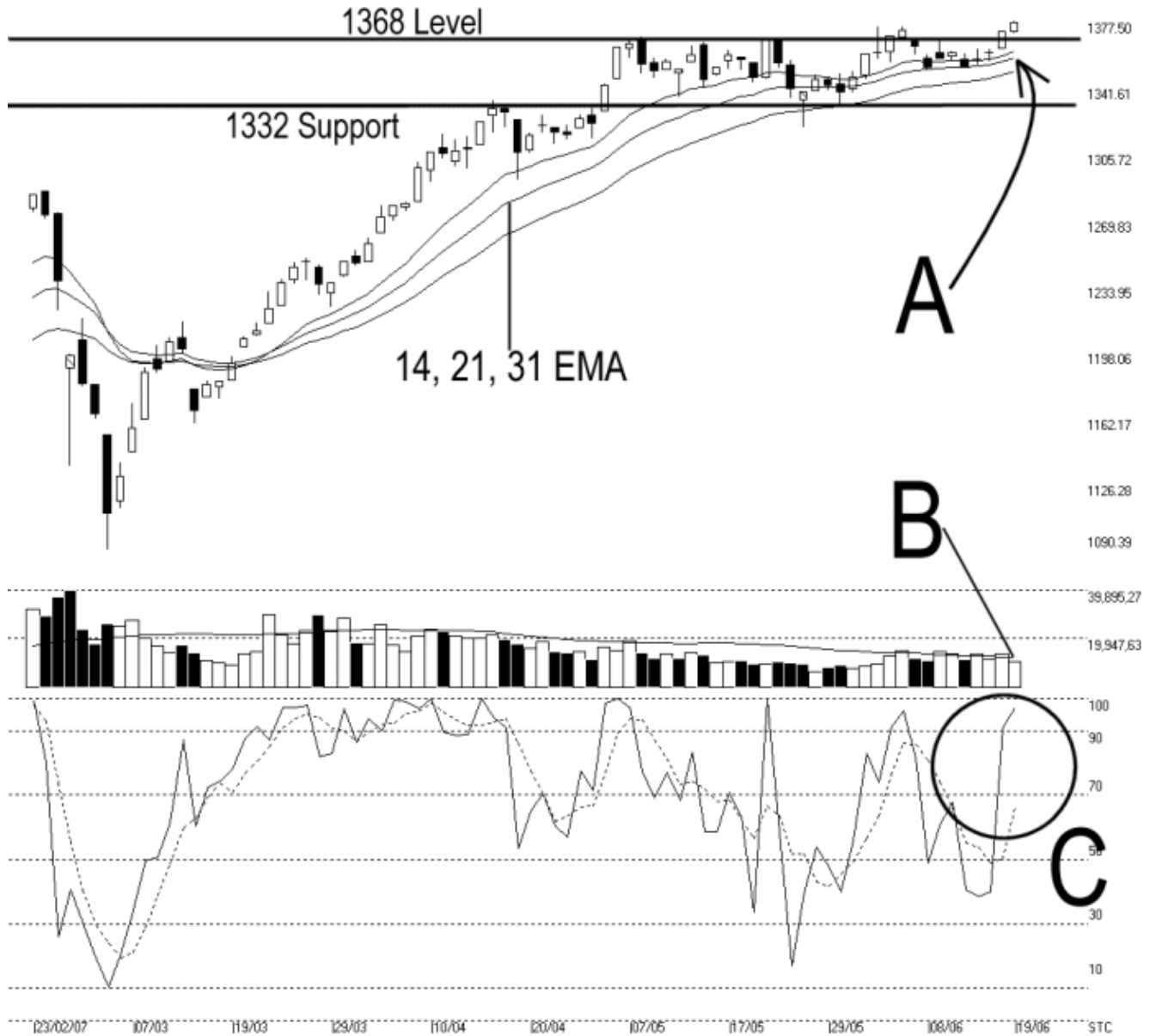




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1371.980 High:1377.500 Low:1371.030 Close:1376.790 +4.51(0.3%) Volume:10,611,541 [-2968297,-21.9%]
 COMPOSITE INDEX [COMPOSITE] 23/02/2007 - 19/06/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 19/06/2007, by Straits Index (M) Sdn Bhd

After the break out on Monday, the KLCI advanced another 4.51 points on Tuesday to close at 1376.79 points. Therefore, the 1368 level is now the immediate support level. If the break out is valid, the KLCI should not fall back to below the 1368 level. Meanwhile, as indicated by A, the 14, 21, 31 EMA should

continue serving as the dynamic support to the KLCI, and as long as the KLCI can remain above the rising EMA, the uptrend of the KLCI is expected to continue. (Study A)

Although the KLCI touched another all-time new higher today, total market volume, however, declined 21.9% and stayed below the 40-day VMA level. Therefore, the decrease in volume failed to give any support to the KLCI breaking out from the 1368 level, thus the break out is less reliable. Mean while, the 40-day VMA line is still falling suggesting the market volume is overall declining. (Study B)

As circled at C, the Stochastic %D line is still below the 70% level, and therefore, it has not confirmed the %K line of the short term bullish signal. Nevertheless, since the Stochastic is a secondary indicator and therefore, readers are advised to treat chart patterns as the priority of the analysis, followed by the primary indicators like Bollinger Bands and Moving Averages, then only on the secondary indicators. (Study C)