



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1367.420 High:1367.420 Low:1358.870 Close:1359.270 -12.180(-0.9%) Volume:13,455,641 (-952512,-6.6%)
COMPOSITE INDEX [COMPOSITE] 19/03/2007 - 11/07/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 11/07/2007, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI retreated a total of 12.18 points. As indicated by A, the KLCI is now situated in the congestion zone of the 14, 21, 31 EMA, and therefore, the outlook is mixed. Nevertheless, the 1332 support and the 1391.57 resistance remains intact. If the KLCI should continue falling and remain below the 14, 21, 31 EMA, the EMA shall reverse and becoming the dynamic resistance. Until that, the KLCI is still trendless in its sideways movement.

Total market volume declined another 6.6% on Wednesday while barely staying above the 40-day VMA level. Generally, it is rather normal to have a relatively lower volume during a sideways movement. However, if the KLCI should pickup and resume its uptrend, volume must increase and remain above the 40-day VMA level. (Study B)

As circled at C, the Stochastic is showing short term neutral signal. If the Stochastic %K should fall below the 30% level, it would be an unconfirmed short term bearish signal. If the Stochastic %D line should fall below the 30% level, it would confirm the %K signal, and the market movement for the short term would be bearish biased. (Study C)