



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1372.810 High:1378.150 Low:1370.520 Close:1376.400 +7.170(0.5%) Volume:12,019,979 (-859311,-6.7%)
COMPOSITE INDEX [COMPOSITE] 27/03/2007 - 19/07/2007 Ticks=80 Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 19/07/2007, by Straits Index (M) Sdn Bhd

On Thursday, the KLCI managed to rebound from the 14, 21, 31 EMA dynamic support, closing 7.17 points higher to 1376.40 points. As indicated by A, the KLCI is still moving in a sideways movement with the 14, 21, 31 EMA serving as its dynamic support. Nevertheless, the 1391.57 level is still the immediate overhead resistance of the KLCI.

Total market volume on Thursday falls 6.7% with the volume staying slightly below the 40-day VMA level. This suggests that the market participation on Thursday was relatively lower. Though it is considered normal to have a lower volume doing a sideways movement, volume must increase significantly if the KLCI should test the 1391.57 resistance. (Study B)

As circled at C, the Stochastic is still showing a short term neutral signal. Therefore, this suggests that the market direction was indeed unclear. If the Stochastic %K line should break above the 70% level, it would be the unconfirmed short term bullish signal. If the Stochastic %D line should break above the 70% level, it would confirm the %K line signal, and the market movement for the short term would return to bullish biased. (Study C)