



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1377.890 High:1385.540 Low:1377.890 Close:1382.360 +5.960(0.4%) Volume:15,958,341 (+3928362,32.8%)
COMPOSITE INDEX [COMPOSITE] 28/03/2007 - 20/07/2007 Ticks=80 Moving Averages e[14,21,31]-Volume Daily
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Composite Index Daily Technical Analysis, 20/07/2007, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI formed another symmetrical triangle, suggesting a consolidation stage. As indicated by A, the KLCI was testing the T1 dynamic resistance, and if the KLCI should break above the T1 together with the 1391.57 resistance, it would be signal suggesting an end to the consolidation, and the KLCI would resume its uptrend. (Study A) Nevertheless, T2 is also an dynamic support besides the 14, 21, 31 EMA.

Total market volume on Friday increased 32.8%, and the volume managed to break above the 40-day VMA level. This suggests an increase in the market participation, thus implying more inflow of capital into the market. Volume is a crucial element if the KLCI should test the 1391.57 resistance. And provided that the volume should maintain above the 40-day VMA level, the market sentiment is likely to improve. (Study B)

As circled at C, the Stochastic %K breaks above the 70% level, giving an unconfirmed short term bullish signal. If the Stochastic %D line should break above the 70% level, it would confirm the %K signal, and the market movement for the short term would be bullish biased. (Study C)