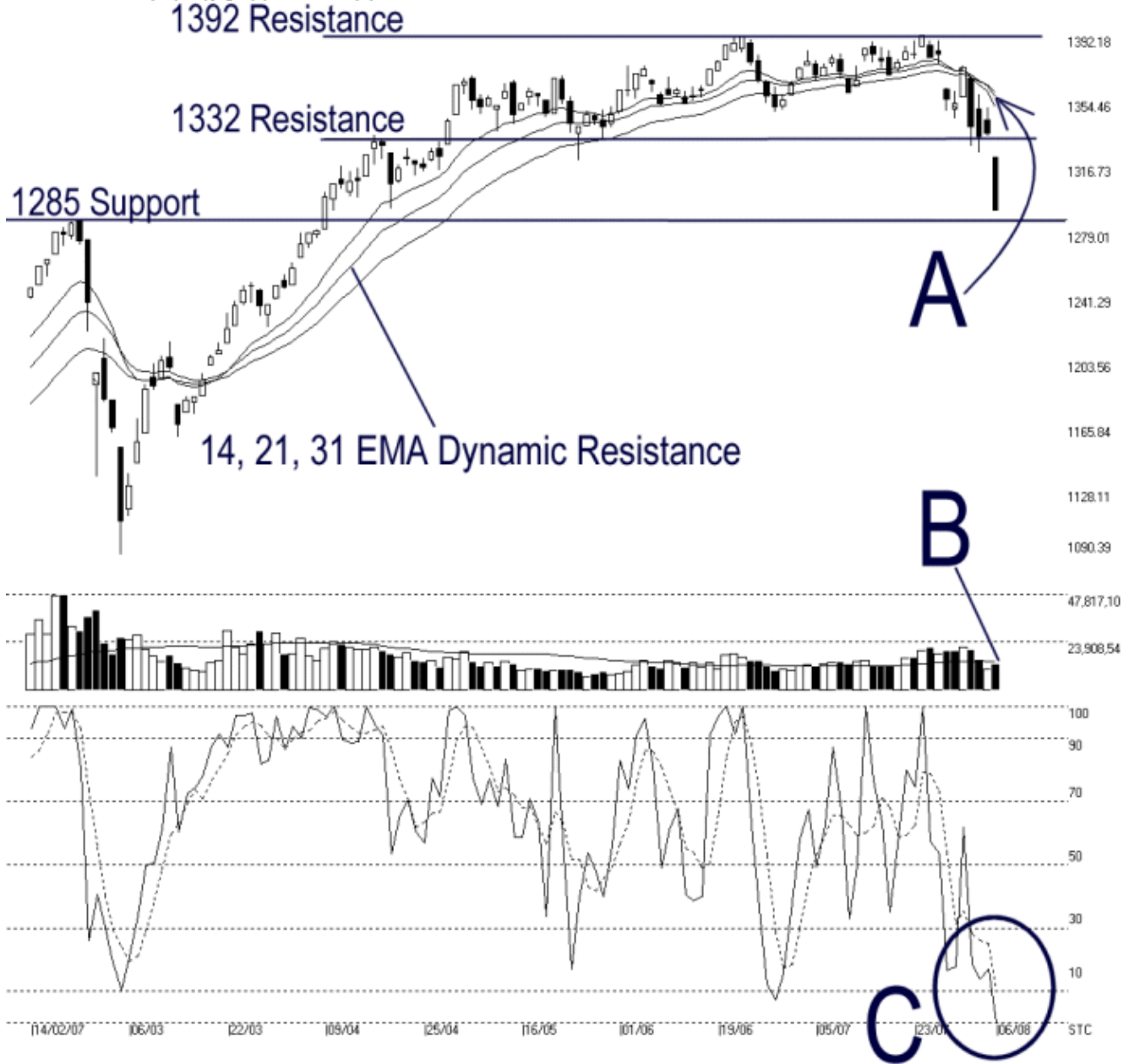




Straits Index (M) Sdn Bhd.  
 WinChart Technical Analysis  
 Tel: (03) 8941 6828  
 Fax: (03) 8941 9828  
 email: [info@straitsindex.com](mailto:info@straitsindex.com)

Open:1321.710 High:1321.710 Low:1290.900 Close:1290.900 -44.520(-3.3%) Volume:13,013,675 (+2434026.23.0%)  
 COMPOSITE INDEX [COMPOSITE] 14/02/2007 - 06/08/2007 Ticks=119 { Indices } Moving Averages e(14,21,31) - Volume Daily  
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



**Composite Index Daily Technical Analysis, 06/08/2007, by Straits Index (M) Sdn Bhd**

On Monday, the KLCI opened gap down at 1321.71 points, closing the day at its daily low at 1290.90 points, downed 44.52 points. As shown on the chart above, the next support level for the KLCI is seen at the 1285 level. Meanwhile, as indicated by A, the 14, 21, 31 EMA remains falling and continue serving as the dynamic resistance to the KLCI. Therefore, as long as the KLCI is still resisted by the falling dynamic resistance, the outlook for the KLCI should remains bearish biased. (Study A)

Total market volume on Monday increased 23%, but still remains below the 40-day VMA level. This suggests that the overall market participation was relatively low, thus suggesting that most investors are still staying on the sidelines as current market sentiment is still weak. Nevertheless, provided that the volume is still below the 40-day VMA level, the market sentiment is expected to stay weak. (Study B)

As the KLCI dive, the Stochastic %K line entered below the 10% level, which is the short term over-sold region. If the Stochastic %D should fall below the 10% level, it would confirm the short term over-sold signal, and a technical rebound is likely to take place. However, if the Stochastic should remain below the 30% level after a possible technical rebound, the market movement for the short term shall remain bearish biased. (Study C)