



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1219.410 High:1245.110 Low:1219.410 Close:1243.390 +51.840(4.4%) Volume:14,448,157 (-3817072,-20.9%)
 COMPOSITE INDEX [COMPOSITE] 13/02/2007 - 20/08/2007 Ticks=130 { Indices } Moving Averages e(14,21,31) - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 20/08/2007, by Straits Index (M) Sdn Bhd

On Monday, the KLCI technically rebounded as the pull-back effect of the Bollinger Bands. It was because the KLCI has fallen below the 20-day Bollinger Lower Band, which has triggered an “over-sold” signal. Nevertheless, as indicated by A, the 14, 21, 31 EMA remains falling while continue serving as the dynamic resistance to the KLCI. Therefore, the immediate market outlook for the KLCI shall remain bearish biased.

Even though the KLCI technically rebounded on Monday, total market volume remains relatively weak. As indicated by B, total market volume stays marginally above the 40-day VMA level, suggesting that the market participation was barely sufficient. Therefore, unless the volume can stay above the 40-day VMA level successfully, the market sentiment is likely to be weak.

As circled at C, the Stochastic %K rises above the 30% region, leaving the short term bearish region to neutral. If the Stochastic %D line should break above the 30% level, it would confirm the %K signal, and the market movement for the short term would be at neutral. (Study C)