



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1282.940 High:1292.200 Low:1274.330 Close:1278.270 +4.750(0.4%) Volume:13,008,406 (+1043284.87%)
 COMPOSITE INDEX [COMPOSITE] 22/02/2007 - 27/08/2007 Ticks=130 { Indices } Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 27/08/2007, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI remains resisted by the 14, 21, 31 EMA dynamic resistance, and also, it closes below the 1285 resistance level. Therefore, if the KLCI should retreat after hitting these resistance, the outlook shall remains bearish biased.

Total market volume for Monday remains below the 40-day VMA level. This suggests that the overall

market participation is still low. Therefore, the market sentiment remain weak, as it may seems like many investors are still staying on the sidelines while the market confidence remains uncertain.

Despite being resisted by the falling dynamic resistance, the Stochastic is now showing a short term bullish signal. If the Stochastic should remains above the 70% level, the market movement for the short term is likely to be bullish biased. However, the Stochastic is only a secondary indicators, and therefore, chart patterns and primary indicators is still the priority in Technical Analysis. (Study C)