



**STRAITS  
index**

**Straits Index (M) Sdn Bhd.**  
**WinChart Technical Analysis**  
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Open:1289.740 High:1298.850 Low:1286.410 Close:1298.850 +0.92(0.1%) Volume:13.261.625 (+3037402.297%)  
 COMPOSITE INDEX [COMPOSITE] 17/05/2007 - 06/09/2007 Ticks=80 { Indices } Moving Averages e(14,21,31) - Volume Daily (Fibo)  
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**Composite Index Daily Technical Analysis, 06/09/2007, by Straits Index (M) Sdn Bhd**

On Thursday, the KLCI ended 0.92 of a point higher to close at 1298.85 points. As shown on the chart above, the KLCI breaks above the 1285 level, and therefore, the 1285 is likely to become a support level to the KLCI. Also, as indicated by A, the KLCI is still testing the 14, 21, 31 EMA. If the KLCI should continue rising, the 14, 21, 31 EMA shall serve as the dynamic support to the KLCI.

Nevertheless, the next resistance level for the KLCI is seen at 1333 WinChart Automatic Fibonacci Retracement.

Total market volume increased 29.7% on Thursday, while still cannot break above the 40-day VMA level. Therefore, the market participation as a whole is still insufficient. If the volume should continue staying above the 40-day VMA level, the market sentiment is likely to improve. (Study B)

As circled at C, the MACD histogram ticked lower on Thursday, which showed a sign of a rounding top formation. If the MACD histogram should form a rounding top successfully, it would suggest a weakening of the MACD bullish signal, and the market movement for the short term is likely to stay weak.