



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1381.250 High:1381.250 Low:1369.710 Close:1375.250 -8.360(-0.6%) Volume:14,310,478 (-881660,-5.8%)
 COMPOSITE INDEX [COMPOSITE] 22/06/2007 - 12/10/2007 Ticks=80 { Indices } Bollinger Band(10,2) -14% -Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 12/10/2007, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width continue to contract on Friday, suggesting that the KLCI is still consolidating. Until the Bollinger Bands Width expands, the direction for the KLCI shall remains unclear as it is gearing up for a new movement. Meanwhile, the 14, 21, 31 EMA is still rising and still serving as the dynamic support for the KLCI. As long as the KLCI is supported by the rising

dynamic, the outlook shall remain positive. Resistance for the KLCI is still at the all time high at 1392.18 points.

Total market volume declined another 5.8% on Friday due to the festive holiday. Since the KLCI is consolidating, the lower volume is generally viewed as a healthy signal. However, if the KLCI should test the 1392.18 resistance and resume its uptrend, volume must increase and remain above the 40-day VMA level.

As indicated by C, the MACD histogram ticked lower on Friday, and therefore the MACD bullish signal is still weakening. Since the MACD histogram is still showing a rounding top, the KLCI consolidation is expected to continue until the MACD histogram begins rising and forms a rounding bottom.