



**STRAITS
index**

Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1377.650 High:1379.440 Low:1366.770 Close:1370.170 -6.150(-0.4%) Volume:13,718,497 (-3737965,-21.4%)
 COMPOSITE INDEX [COMPOSITE] 28/06/2007 - 19/10/2007 Ticks=80 { Indices } Moving Averages e(14,21,31) - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 19/10/2007, by Straits Index (M) Sdn Bhd

The KLCI continues its consolidation on Friday, closing 6.15 points to 1370.17 points. Meanwhile, as indicated by A, the 14, 21, 31 EMA is still serving as the dynamic support for the KLCI, and if the KLCI should rebound from the 14, 21, 31 EMA, the KLCI would resume to its upward movement. Nevertheless, the 1392.18 level shall remain as the important resistance for the KLCI.

As indicated by B, total market volume on Friday declined 21.4%. If the KLCI should remain consolidating, a lower volume is usually considered normal. However, if the KLCI should resume its uptrend and attempt to break above the 1392.18 resistance, a significant increase of volume is needed.

As circled at C, the Stochastic %D line falls below the 70% level, ending the short term bullish signal. At the moment, the Stochastic is showing a short term neutral signal, and therefore, the market movement for the short term is expected to be neutral.