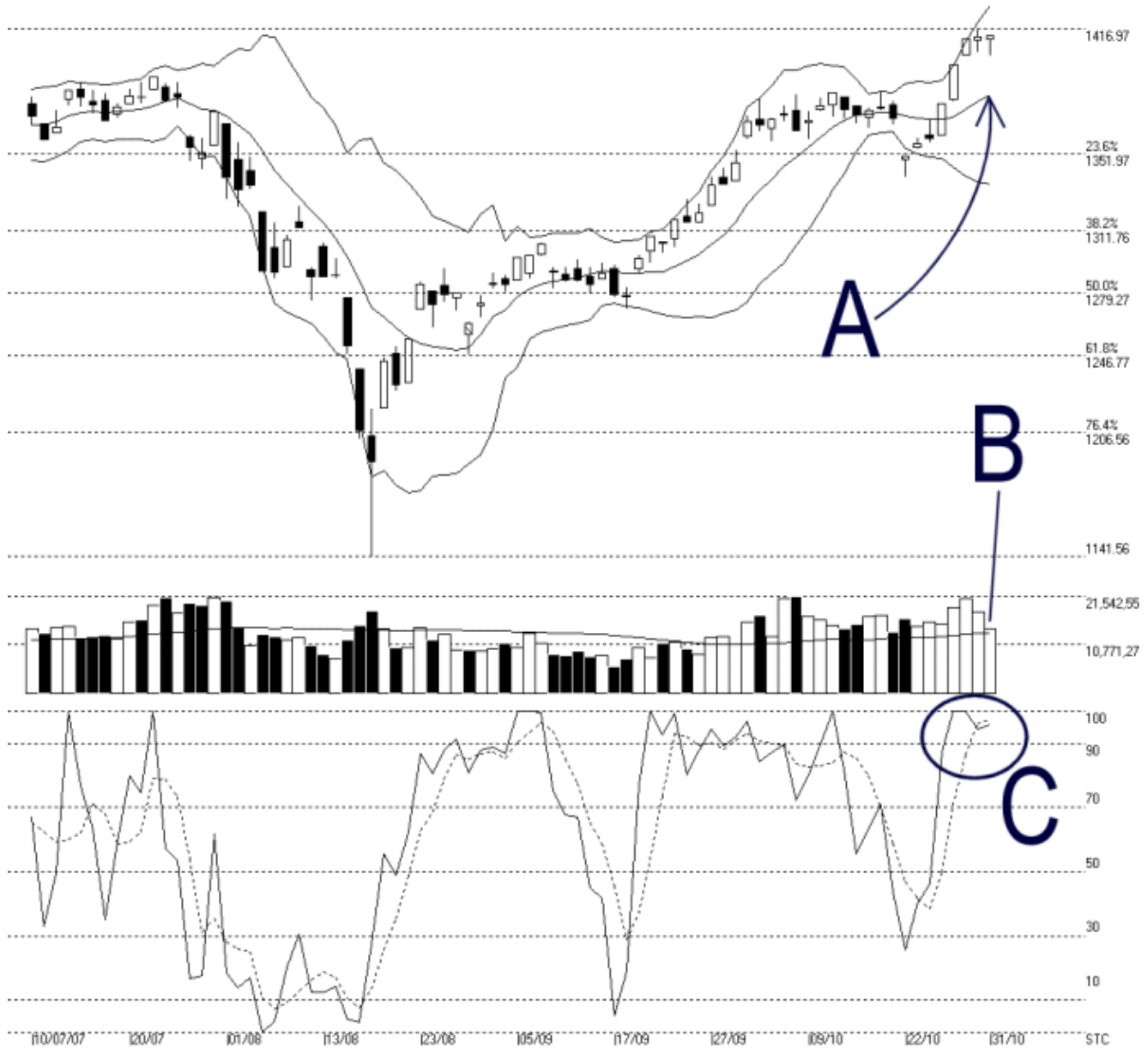




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1411.960 High:1413.650 Low:1402.830 Close:1413.650 +0.860(0.1%) Volume:14,350,916 (-3695186,-20.5%)
 COMPOSITE INDEX [COMPOSITE] 10/07/2007 - 31/10/2007 Ticks=80 (Indices) Bollinger Band(10,2) 11% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 31/10/2007, by Straits Index (M) Sdn Bhd

The KLCI ended almost unchanged on Wednesday, closing 0.86 of a point higher to 1413.65 points. As mentioned in yesterday's analysis, the immediate resistance is now seen at 1416.97 Fibonacci Retracement line. As indicated by A, the Bollinger Middle Band is still serving as the dynamic support for the KLCI, and if the KLCI should continue be supported by the Bollinger Middle Band, the outlook

for the KLCI shall remains positive biased.

Total market volume declined 20.5% on Wednesday while still managed to stay above the 40-day VMA level. From a technical analysis point of view, a lower volume during the KLCI consolidation is usually viewed as a healthy sign. If the KLCI should resume its bullish movement after this consolidation, the increase of volume would be the best confirmation. (Study B)

As circled at C, both the Stochastic %K and %D lines are above the 90% level, which is the short term over-bought region. This suggests that the KLCI has gone over-heated, and therefore a chance for a short term technical correction. Nevertheless, should the Stochastic remains above the 70% level after this correction, the market movement for the short term shall remains bullish biased.