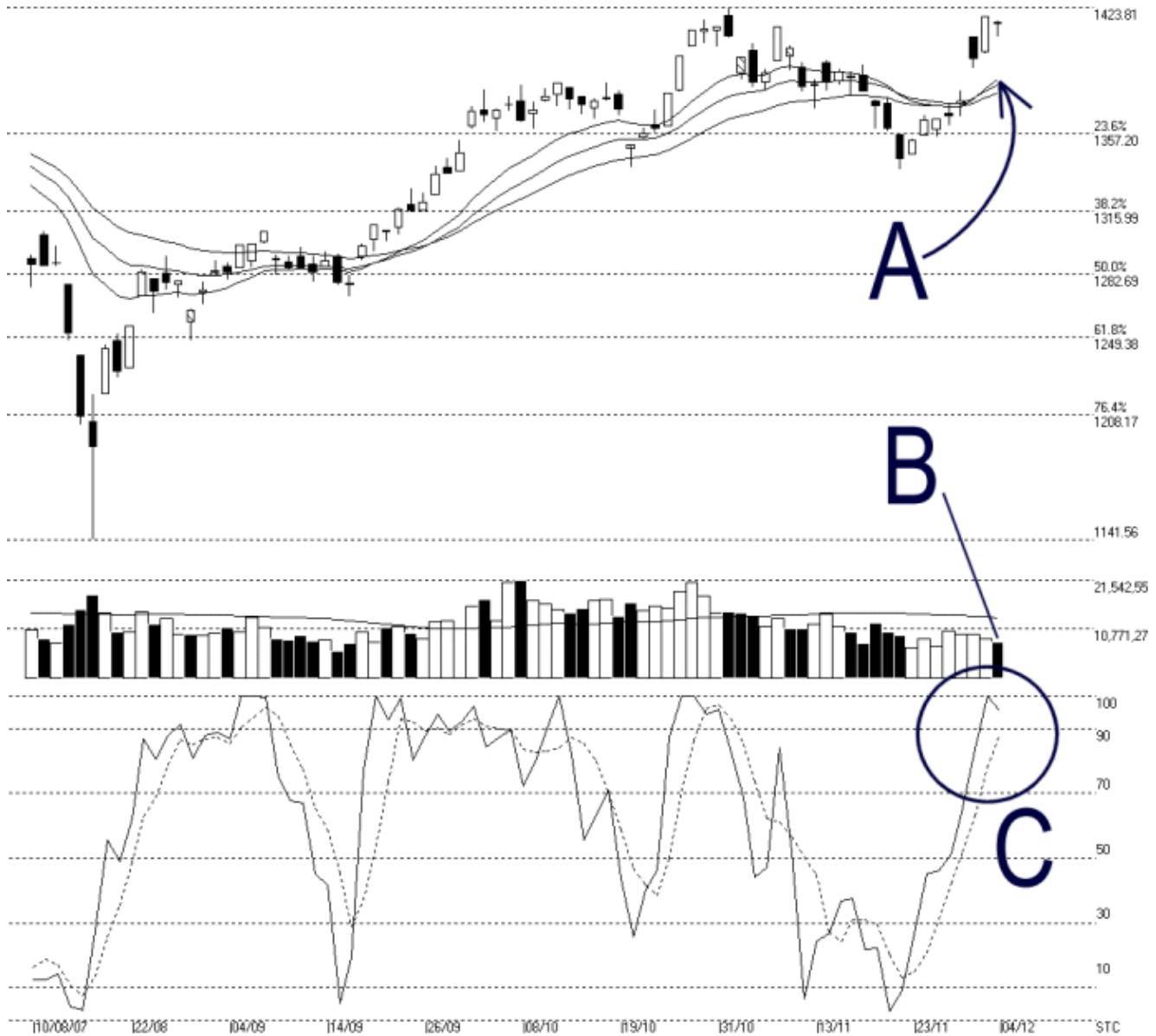




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
Tel: (03) 8941 6828
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email: info@straitsindex.com

Open:1415.450 High:1416.670 Low:1408.350 Close:1415.810 -3.530(-0.2%) Volume:7,998,689 (-586574,-6.8%)
COMPOSITE INDEX [COMPOSITE] 10/08/2007 - 04/12/2007 Ticks=80 (Indices) Moving Averages e(14.21.31) - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 04/12/2007, by Straits Index (M) Sdn Bhd

On Tuesday, the KLCI retreated 3.53 points to close at 1415.81 points. As indicated by A, the 14, 21, 31 EMA is now serving as the dynamic support for the KLCI. At the moment, the KLCI must break above the 1423.81 resistance in order to continue staying bullish. The KLCI may appear to be improving, but the lack of volume remains a major set back.

As indicated by B, total market volume declined another 6.8%, while staying further below the 40-day VMA level. This shows that the market participation is indeed insufficient, and therefore, without sufficient inflow of fresh capital, the KLCI is less likely to regain its strength. If the KLCI should break out from the resistance with thin volume, the breakout would likely to be unsustainable.

As circled at C, the Stochastic is still showing a short term bullish signal, with the Stochastic staying above the 70% level. Therefore, as long as the Stochastic is still staying above the 70% level, it suggests that the market movement for the short term is still bullish biased.