



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1443.110 High:1449.700 Low:1431.770 Close:1434.040 -6.350(-0.4%) Volume:8,424,034 (-2465541,-22.6%)
COMPOSITE INDEX [COMPOSITE] 15/08/2007 - 07/12/2007 Ticks=80 (Indices) Moving Averages e(14.21.31) - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 07/12/2007, by Straits Index (M) Sdn Bhd

The KLCI has its technical correction after reaching yet another record high on Friday, closing 6.35 points lower to 1434.04 points. As indicated by A, the 14, 21, 31 EMA is still the dynamic support for the KLCI, and if the KLCI should rebound from the dynamic support after this technical correction, it would have a chance to resume its upward movement.

As indicated by B, total market volume declined 22.6% on Friday while staying below the 40-day VMA level. Therefore, this shows that the overall market participation is still insufficient. Generally, a decline of volume during a correction is considered healthy. But if the KLCI should rebound from the dynamic support and resume its uptrend, volume must increase and stay above the 40-day VMA level to confirm the bullish movement.

As circled at C, the Stochastic %K line falls below the 90% level on Friday, suggesting a beginning of a technical correction. If the Stochastic should remain above the 70% level after the correction, the market movement for the short term is still bullish biased.