



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
 Tel: (03) 8941 6828
 Fax: (03) 8941 9828
 email: info@straitsindex.com

Open:1425.210 High:1425.210 Low:1417.330 Close:1423.720 -10.440(-0.7%) Volume:6,710,482 (-686961,-9.3%)
 COMPOSITE INDEX [COMPOSITE] 20/08/2007 - 12/12/2007 Ticks=80 (Indices) Moving Averages e(14.21.31) - Volume Daily
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 12/12/2007, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI retreated 10.44 points to close at 1423.72 points. As indicated by A, the KLCI is now testing the 14, 21, 31 EMA dynamic support. If the KLCI should rebound from the dynamic support, there is a chance for the KLCI to resume its upward movement. Nevertheless, resistance for the KLCI remains at 1449.70.

As indicated by B, total market volume declined 9.3% on Wednesday. As you can see, volume remains below the 40-day VMA level, and it shows that the overall market participation is indeed insufficient. Therefore, provided that the volume is still below the 40-day VMA level, the KLCI is less likely to regain its strength.

As circled at C, the Stochastic %K line fall marginally below the 70% level on Wednesday. If the Stochastic %D should follow the %K line and break below the 70% level, it would suggests an end to the short term bullish signal, and the market movement for the short term would turn from bullish biased to neutral.