



**Straits Index (M) Sdn Bhd.**  
**WinChart Technical Analysis**  
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Open:1514.310 High:1524.690 Low:1502.100 Close:1507.040 -9.180(-0.6%) Volume:10,485,573 (-7092648,-40.3%)  
 COMPOSITE INDEX [COMPOSITE] 17/09/2007 - 14/01/2008 Ticks=80 (Indices) Bollinger Band(20,2) 9% - Volume Daily  
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**Composite Index Daily Technical Analysis, 14/01/2008, by Straits Index (M) Sdn Bhd**

As circled at A, the KLCI retreated 9.18 points on Monday as a pullback effect after breaking above the 20-day Bollinger Upper Band. The pullback on Monday is a normal reaction as the KLCI was over-heated. Therefore, this shows that the KLCI is now having a consolidation. If the KLCI should rebound from the dynamic support, the outlook for the KLCI shall remains positive. As mentioned earlier, readers can choose between the 10-day Bollinger middle band or the 14, 21, 31 EMA as the dynamic

support reference.

As indicated by B, total market volume declined 40.3%. Since the KLCI is having the Bollinger Bands pullback effect, a lower volume shows that the pullback is rather healthy. However, if the KLCI should resume its bullish movement, volume must resume to above the 40-day VMA level.

As circled at C, the Stochastic %K line falls below the 90%, which signal a beginning of the short term technical correction. However, if the Stochastic should remain above the 70% level, the market movement for the short term shall remain bullish biased.