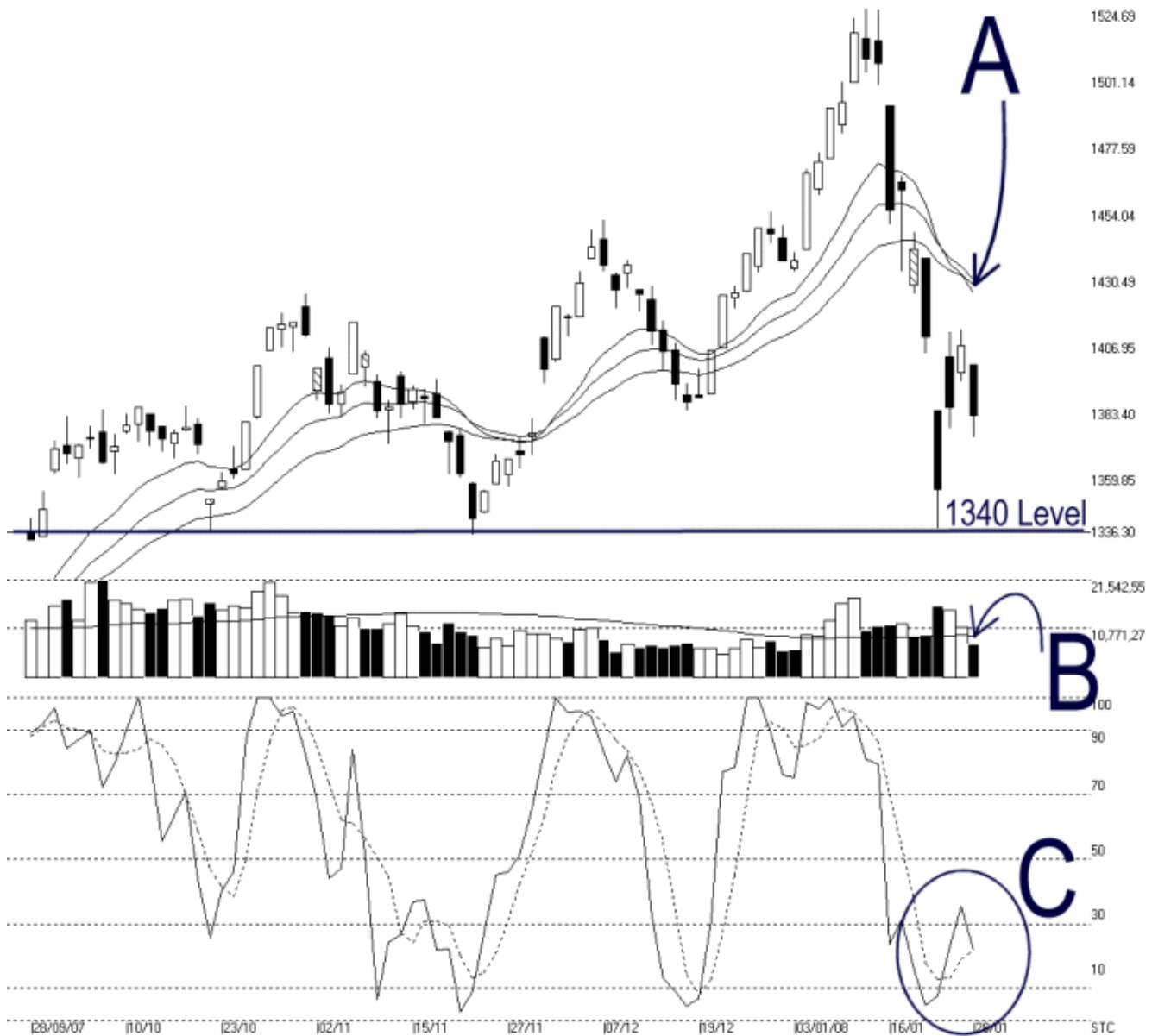




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1398.500 High:1398.500 Low:1372.610 Close:1380.540 -24.860(-1.8%) Volume:7,396,105 (-3821991,-34.1%)
COMPOSITE INDEX [COMPOSITE] 28/09/2007 - 28/01/2008 Ticks=80 { Indices } Moving Averages e(14,21,31) - Volume Daily
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Composite Index Daily Technical Analysis, 28/01/2008, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI ended 24.86 points on Monday while still staying below the 14, 21, 31 EMA, as indicated by A. The 14, 21, 31 EMA is still serving as the dynamic resistance for the KLCI, and as long as the KLCI should remain resisted by the dynamic resistance, the outlook for the KLCI is likely to be bearish biased. Nevertheless, the KLCI is still under consolidation stage, with the support at 1340 level.

As indicated by B, total market volume on Monday fell 34.1%, and the volume was below the 40-day VMA level. This suggests that the overall market participation was relatively insufficient. However, from a technical analysis point of view, the lower volume during a consolidation is considered normal. Nevertheless, if the KLCI should rebound and test the dynamic resistance, volume must increase and stay above the 40-day VMA level to confirm the rally.

As circled at C, the Stochastic %K line fall back into below the 30% level, with the Stochastic %D line still staying below the 30% level. Therefore, the Stochastic is still showing a short term bearish signal, suggesting a bearish biased short term movement.

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