



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



Open:1413.280 High:1415.940 Low:1408.550 Close:1415.940 -16.410(-1.1%) Volume:5,129,670 (-3214718,-38.5%)
COMPOSITE INDEX [COMPOSITE] 08/10/2007 - 06/02/2008 Ticks=80 { Indices } Bollinger Band(10,2) -13% - Volume Daily
Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 06/02/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width for the KLCI contracted 13% on Wednesday, suggesting that the KLCI is now consolidating. The contraction of the Bollinger Bands Width also suggests that the KLCI is gearing up for a new direction, and the direction of the KLCI shall be revealed when the Bollinger Bands Width re-opens. Nevertheless, the next resistance for the KLCI is at 1450 level.

As indicated by B, total market volume declined 38.5% on Wednesday. Needless to say, the volume is below the 40-day VMA level, suggesting that the current market participation is indeed very low. This is due to the anticipation of the festive holiday, as investor choose to stay on the sidelines.

As circled at C, the Stochastic %D line breaks above the 70% by margin. Therefore, it suggests that the Stochastic is now showing a short term bullish signal. Provided that the Stochastic is staying above the 70% level, the market movement for the short term is likely to be bullish biased.

© 2008 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998