



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



Open:1344.460 High:1344.460 Low:1329.170 Close:1330.610 -26.790(-2.0%) Volume:5,804,617 (-1241126,-17.6%)
COMPOSITE INDEX [COMPOSITE] 08/10/2007 - 03/03/2008 Ticks=96 { 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, 03/03/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI gapped down on Monday, closing 26.79 points lower to 1330.61 points. At the moment, the KLCI is testing the 1340 support. If the KLCI should break below the 1340 support, the T1 downtrend shall remain dominant, and the KLCI is still trending down.

Meanwhile, the gap on Monday mark a risk of a typical Head and Shoulders Top pattern. If the KLCI should

rebound and fail to break above the gap, the risk of the Head and Shoulders Top effect would be greater. If the KLCI should really break below of the Head and Shouders' Neck line at 1340 (or 1338) level, the next possible support is seen at 1150 level. Nevertheless, a more practical approach is to monitor the dynamic resistance.

As indicated by B, total market volume on Monday declined 17.6% while remains below the 40-day VMA level. Therefore, this shows that the current market participation is still low, thus suggesting that the KLCI is less likely to pickup strength.

As circled at C, the Stochastic remains below the 30% level while still showing a short term bearish signal. Therefore, should the Stochastic stays below the 30% level, the market movement for the short term is expected to be bearish biased.

© 2008 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998