



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:1230.280 High:1245.420 Low:1229.050 Close:1245.420 +15.470(1.3%) Volume:7,606,315 [-2092582,-21.6%]  
COMPOSITE INDEX [COMPOSITE] 23/11/2007 - 26/03/2008 Ticks=80 { Indices } Moving Averages e(14,21,31) - Volume Daily  
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### Composite Index Daily Technical Analysis, 26/03/2008, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI rose 15.47 points to close at its daily high of 1245.42 points. As indicated by A, the KLCI is now testing the Gap resistance (1244 – 1280). The gap represents a strong selling pressure, and therefore, if the KLCI movement is not back by a strong market participation, breaking above the gap is not easy. Nevertheless, with the 14, 21, 31 EMA and the T1 still serving as the dynamic resistance, the downtrend for the KLCI remains intact; and the support shall remain at 1150 level.

As indicated by B, total market volume failed to hold up above the 40-day VMA level. Therefore, this suggests that the market participation is insufficient. In other words, the KLCI is less likely to overcome the strong selling pressure at the gap level. Unless volume could pick up significantly, the KLCI is likely to trend sideways.

Despite insufficient market participation, the Stochastic %K continued to climb and even reaching slightly above the 90% level. This is because the KLCI closed at its daily high. Nevertheless, if the Stochastic %D line should also break above the 70% level, the market movement for the short term would turn bullish biased. Until that happens, the current reading for the KLCI is still neutral.

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