



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1238.970 High:1241.110 Low:1230.620 Close:1233.430 -13.360(-1.1%) Volume:3,558,437 (-1383065,-28.0%)
COMPOSITE INDEX [COMPOSITE] 12/12/2007 - 14/04/2008 Ticks=80 { Indices } Bollinger Band(10,2) -15% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 14/04/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width of the KLCI contracted another 15%, suggesting that the KLCI is still consolidating, and the market direction is still unclear. Meanwhile, the KLCI is still resisted by the gap resistance (1244 – 1280) as well as the T1 downtrend line. Therefore, the outlook for the KLCI is still bearish biased. Support for the KLCI is still seen at 1150 level.

As indicated by B, total market volume declined another 28%, with the volume stay far below the 40-day VMA level. This shows that our market is really quiet as investors are staying on the sidelines. The low volume is a major draw back of the attempt to break the resistance level, and therefore, if the volume should remain below the 40-day VMA level, the KLCI is likely to remains weak.

As circled at C, the MACD histogram is still falling without forming a rounding bottom. The falling of the MACD histogram suggests a weakening of the KLCI, and if the MACD line should start falling and breaking below the trigger line, it would trigger a bearish signal.

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