



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



Open:1258.610 High:1267.650 Low:1258.610 Close:1267.650 +11.110(0.9%) Volume:5,174,361 (-346263,-6.3%)
COMPOSITE INDEX [COMPOSITE] 18/12/2007 - 18/04/2008 Ticks=80 { Indices } Bollinger Band(10,2) 18% - Volume Daily (Fibo)
Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 18/04/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI breaks above the T1 downtrend line by margin on Friday, closing 11.11 points higher to 1267.65 point. But still, the breakout is yet to be confirmed for the total market volume on Friday did not increase. In addition, the KLCI is still testing the major resistance at the Gap level. Nevertheless, the Bollinger Bands Width expanded another 18% on Friday, suggests a continuation of the bullish movement. If the KLCI break out is valid, the next resistance for the KLCI is seen at 1297.75 Fibonacci Retracement

line, which rounded up to 1300 psychological level.

As indicated by B, total market volume declined 6.3% and still staying below the 40-day VMA level. The lower volume on Friday failed to support the KLCI breaking above the T1 downtrend line. Therefore, the bullish Bollinger bands signal also seems weak as the volume was indeed low. Simply put, volume above the 40-day VMA level is still crucial to the sustainability of the recent positive movement of the KLCI.

As indicated by C, the MACD histogram continue rising on Friday, and the rounding bottom signal remains intact. The rising of the MACD histogram suggests that the MACD bullish signal is still gaining strength. The bullish signal is expected to continue until the MACD histogram forms a rounding top, which would indicate a weakening signal of the MACD bullish signal.

© 2008 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998