



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1290.320 High:1297.490 Low:1287.330 Close:1295.310 +7.230(0.6%) Volume:4.862.485 (-74019,-1.5%)
COMPOSITE INDEX [COMPOSITE] 28/12/2007 - 28/04/2008 Ticks=80 { Indices } Bollinger Band[10,2] 4% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 28/04/2008, by Straits Index (M) Sdn Bhd

On Monday, the KLCI is testing the 1298 Fibonacci Retracement line resistance again, closing 7.23 points higher to 1295.31 points. Although the Bollinger Bands Width did not expand significantly, the KLCI is still supported by the rising Bollinger Middle Band, which can be used as a dynamic support for the KLCI. Nevertheless, the 1298 resistance or the 1300 psychological resistance is an important barrier for the KLCI. Until this resistance is taken out, the current movement shall remain neutral.

As indicated by B, total market volume was almost unchanged on Monday, while still staying below the 40-day VMA level. This shows that the current market participation is still insufficient. In short, market need more inflow of fresh capital to sustain the current movement, or the KLCI is likely to remains sideways with the resistance at 1300 level.

As indicated by the C curve, the MACD histogram remains falling, suggesting that the MACD bullish signal is still losing strength. Therefore, this also suggests that the short term movement for the KLCI is weakening. Until the MACD histogram could tick up and form a rounding bottom, the weakening of the KLCI is expected to continue.

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