



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1287.910 High:1287.910 Low:1271.480 Close:1271.480 -8.380(-0.7%) Volume:5,686,915 (+56894.10%)
COMPOSITE INDEX [COMPOSITE] 03/01/2008 - 02/05/2008 Ticks=80 { Indices } Bollinger Band[10,2] -17% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 02/05/2008, by Straits Index (M) Sdn Bhd

As shown on the chart above, the Bollinger Bands Width of the KLCI contracted another 17%, suggesting that the KLCI is still consolidating. Therefore, the current direction of the KLCI shall remain unclear as the KLCI is also preparing for a new direction, and the new direction shall be revealed when the Bollinger Bands Width reopens. The 1300 psychological level is still the current resistance level for the KLCI while the support for the KLCI is still at 1244 Fibonacci Retracement line.

As indicated by B, total market volume on Friday is still below the 40-day VMA level, suggesting that the overall market participation is still relatively low. Therefore, if the volume should remain below the 40-day VMA level, the KLCI is expected to remain in its consolidation with some negative bias.

As indicated by C, the MACD histogram continued falling, and still showing a rounding top. Therefore, in short, the KLCI movement is still turning weak. If the MACD line should fall below the trigger line, it would trigger a bearish signal for the KLCI.

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