



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:1274.130 High:1278.610 Low:1271.420 Close:1274.610 +3.130(0.2%) Volume:4.931.596 (-755319,-13.3%)  
COMPOSITE INDEX [COMPOSITE] 04/01/2008 - 05/05/2008 Ticks=80 { Indices } Bollinger Band(10,2) -25% - Volume Daily (Fibo)  
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### Composite Index Daily Technical Analysis, 05/05/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI Bollinger Bands Width contracted another 25% on Monday, suggesting that the consolidation of the KLCI continues, and the market direction is still unclear. The Bollinger Bands Width must re-expand, and the new direction shall be revealed. Nevertheless, the immediate resistance for the KLCI is still at the 1300 psychological level, and the support for the KLCI is at 1244 Fibonacci 23.6% Retracement line.

As indicated by B, total market volume on Monday was 13.3% lower and still staying below the 40-day VMA level. This suggests that the local market participation is still low as most investors choose to stay on the sidelines. Therefore, without sufficient market participation, which also means the inflow of fresh capital, the KLCI is expected to stay in its consolidation with negative biased.

As indicated by the C curve, the MACD histogram is still falling, suggesting that the MACD bullish signal is still weakening. Meanwhile, the MACD line is almost crossing below the trigger line, and if the MACD line should cross below the trigger line, it would trigger a bearish signal, and the KLCI is likely to remain weak.

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