



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1283.890 High:1293.090 Low:1283.840 Close:1293.090 +7.820(0.6%) Volume:4.971.947 (-126685.-2.5%)
COMPOSITE INDEX [COMPOSITE] 31/12/2007 - 12/05/2008 Ticks=88 { Indices } Bollinger Band(10,2) -1% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 12/05/2008, by Straits Index (M) Sdn Bhd

On Monday, the KLCI ended 7.82 points higher, despite the Dow Jones ended lower last Friday. However, as indicated by A, the Bollinger Bands Width remains contracted, suggesting that the KLCI is still consolidating. Nevertheless, the KLCI is about to show a new movement soon, and if the KLCI should stay above the Bollinger Middle Band when the Bollinger Bands Width expands, it would be a bullish signal for the KLCI.

For the moment, resistance for the KLCI is still seen at 1300 psychological level, and the next resistance would be at 1340, which is the neck line of the Head and Shoulder Top pattern. Support for the KLCI is at 1244 Fibonacci Retracement line.

As indicated by B, total market volume remains below the 40-day VMA level, suggesting that the market participation is still relatively insufficient. In other words, the inflow of fresh capital is still low. Therefore, the KLCI is still consolidating. To break above the 1300 level, more volume is definitely needed, and if the volume should increase and stays above the 40-day VMA level, the outlook for the KLCI would improve.

As the KLCI ended at its daily high, the Stochastic %K rose on Monday. As circled at C, the Stochastic is now showing a short term neutral signal, suggesting that the short term market movement for the KLCI is still at neutral. If the Stochastic should break above the 70% level, it would be a short term bullish signal for the KLCI.

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