



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1294.850 High:1297.130 Low:1286.010 Close:1286.540 -6.550(-0.5%) Volume:5,249,278 (+277331.5.6%)
COMPOSITE INDEX [COMPOSITE] 02/01/2008 - 13/05/2008 Ticks=88 { Indices } Bollinger Band(10,2) 0% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 13/05/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI attempted to test the 1300 resistance, and precisely resisted again at the 1297 Fibonacci Retracement line. Meanwhile, the Bollinger Bands Width did not expand, and therefore, the KLCI is still consolidating. Nevertheless, should the Bollinger Bands Width expands with the KLCI staying above the Bollinger Middle Band, it would be a bullish signal for the KLCI, and the next resistance for the KLCI will be at the 1340 level, which is the neck line of the previous Head and Shoulder Top pattern.

As indicated by B, total market volume increased 5.6% on Tuesday. However, it is still below the 40-day VMA level, suggesting that the current market participation is still insufficient. Therefore, in short, the KLCI is less likely to break above the 1300 psychological resistance level, unless volume increases to above the 40-day VMA level.

As circled at C, the Stochastic failed to break above the 70% level, as the KLCI ended lower. Therefore, the Stochastic is still showing a short term neutral signal. Therefore, this shows that the KLCI is still consolidating. Nevertheless, if the Stochastic should break above the 70% level, it would suggest that the KLCI short term turning bullish.

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