



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1290.290 High:1296.470 Low:1287.140 Close:1287.740 +1.200(0.1%) Volume:6.058.234 (+808956.15.4%)
COMPOSITE INDEX [COMPOSITE] 03/01/2008 - 14/05/2008 Ticks=88 { Indices } Bollinger Band(10.2) -14% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 14/05/2008, by Straits Index (M) Sdn Bhd

On Wednesday, the KLCI retested the 1297 Fibonacci Retracement line again, and remained resisted by the resistance line. Therefore, the Bollinger Bands Width contracted another 14%, suggesting that the KLCI consolidation is not ended yet. Nevertheless, we must wait until the Bollinger Bands Width expands to decide the next market movement, and for the mean time, the 1300 psychological level shall remain as an important resistance level.

As indicated by B, total market volume increased 15.4% on Wednesday, and also breaking above the 40-day VMA level by margin. If the volume should rise and stay above the 40-day VMA level, it would be a sign of improving market participation, thus the KLCI would have a better chance to break above the 1300 psychological resistance level.

As circled at C, the Stochastic remains in the short term neutral region. This shows that the KLCI short term movement is 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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