



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1274.550 High:1274.840 Low:1262.490 Close:1262.490 -13.610(-1.1%) Volume:3,905,953 (-4278125,-52.3%)
COMPOSITE INDEX [COMPOSITE] 26/12/2007 - 02/06/2008 Ticks=105 { Indices } Bollinger Band(10.2) -2% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 02/06/2008, by Straits Index (M) Sdn Bhd

On Monday, the KLCI retreated 13.61 points after testing the Bollinger Middle Band, as indicated by A. Therefore, the Bollinger Middle Band is the immediate dynamic resistance for the KLCI. However, the Bollinger Bands Width contracted 2% on Monday, suggests that the KLCI may have a chance to consolidate again. Nevertheless, resistance for the KLCI remains at 1300 psychological level while the support is at 1244 Fibonacci Retracement line.

As indicated by B, total market volume fell 52.3% on Monday, and it failed to break above the 40-day VMA level. Therefore, this shows that the overall market participation is still insufficient, and the KLCI is unlikely to break above the 1300 barrier if there is not enough of inflow of fresh capital.

As circled at C, the Stochastic %K returned to below the 30% level after briefly staying above the 30%. Therefore, the current of the Stochastic still suggests a short term bearish signal, and the market movement for the short term is still bearish biased.

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