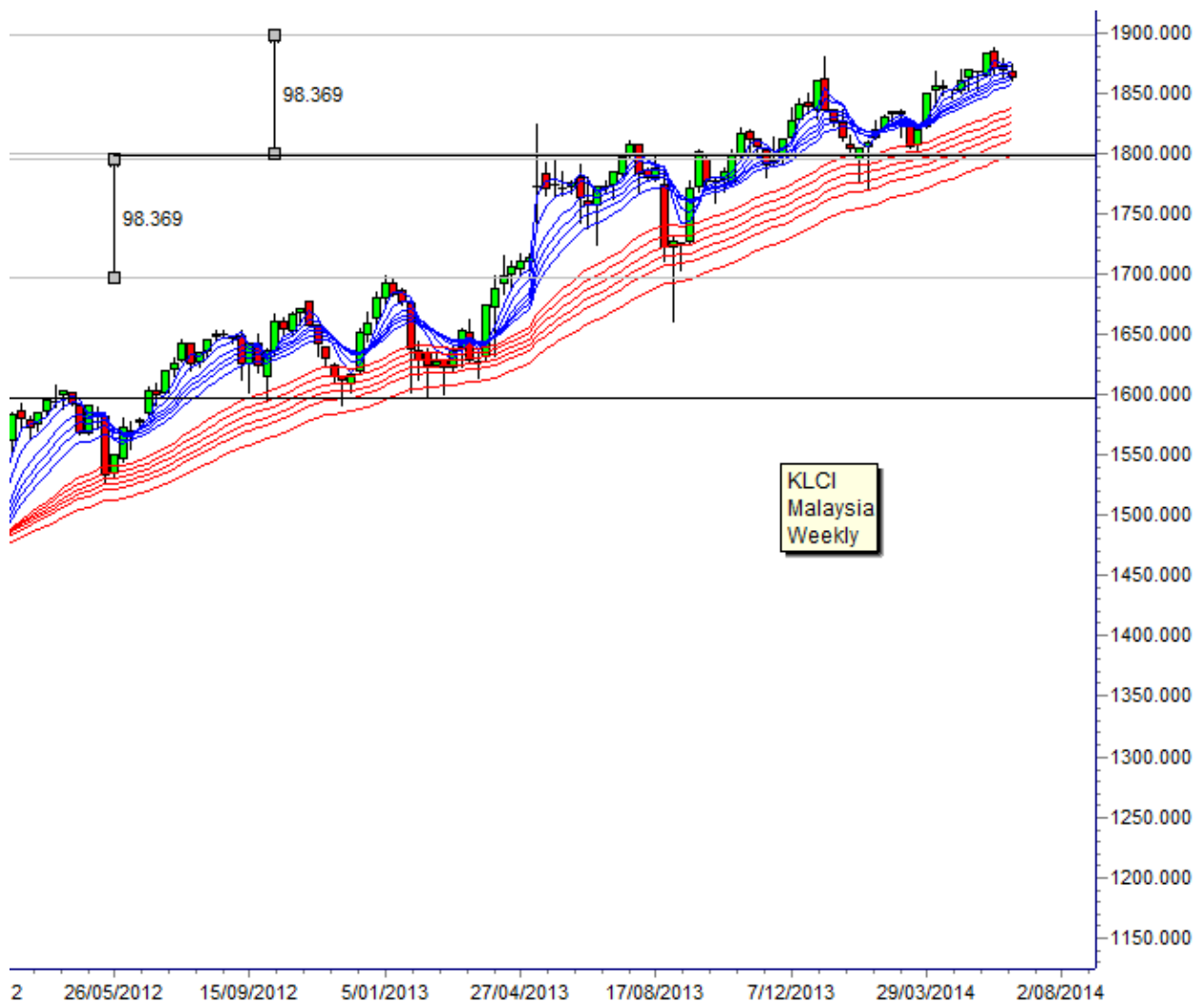


KLCI, MALAYSIA

By Daryl Guppy

The KLCI weekly chart shows a strong trend with each upthrust target defined by the width of the trading bands. The market has broken through the consolidation around 1800. The trading band calculation provides a target near 1900.

The KLCI shows a steady well support uptrend that has been in place for many months. The long term GMMA is widely separated. There is good separation between the long term group of averages and the short term group of averages. The pullbacks are entry points for a rebound and continuation of the trend.



The pattern of trend behaviour is also defined by trading bands. These bands are about 1000 index points wide. They are located at 1600, 1700 and 1,800. Once the index moves above one of these levels there is a rally and retreat pastern behaviour that precedes the move to the next trading band projection target.

The breakout above 1800 was tested with a retreat and rebound from 1800. The next upside target is near 1900 and traders watch for some consolidation near this level.