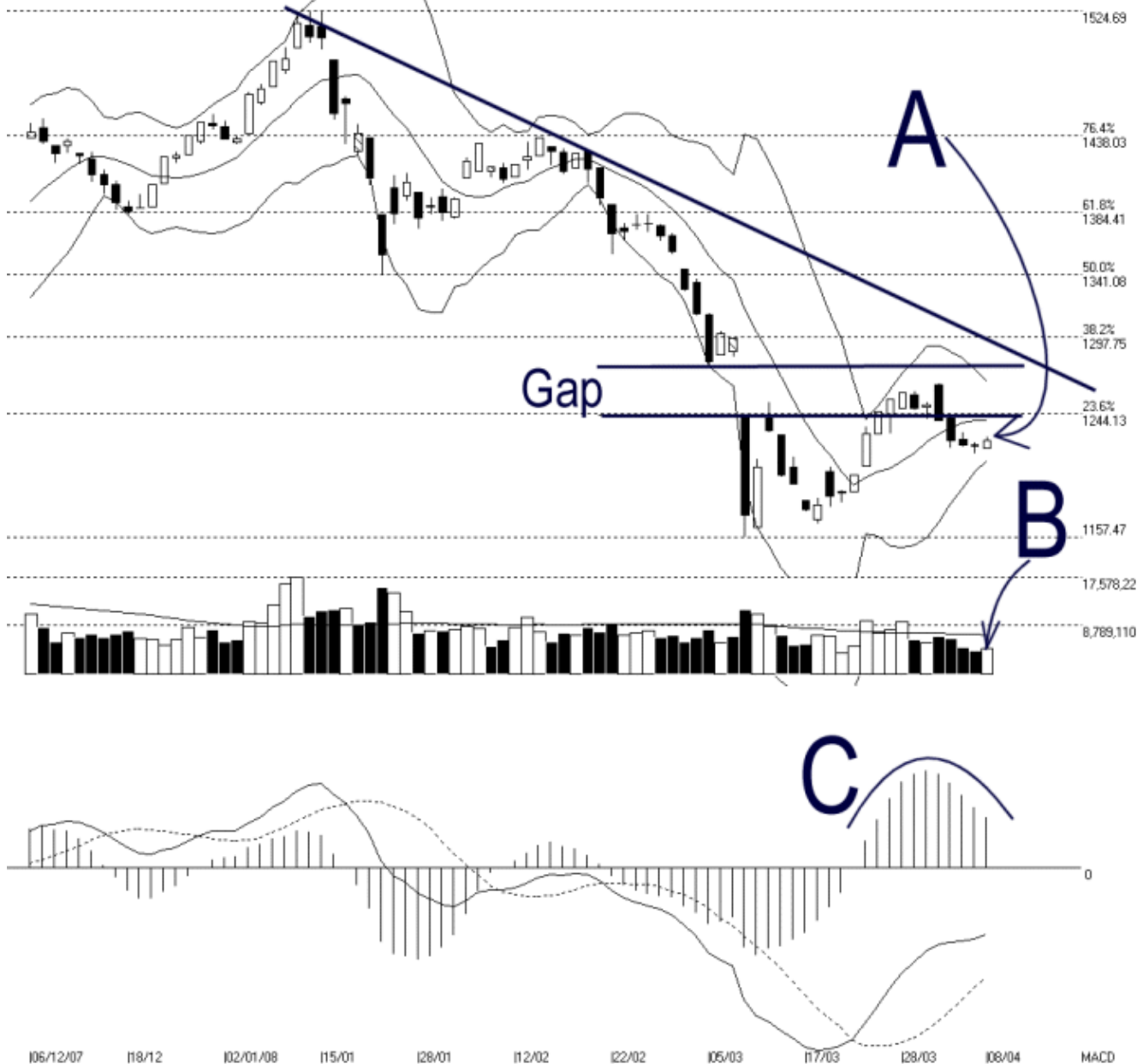




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 WinChart Technical Analysis  
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Open:1219.860 High:1227.580 Low:1218.920 Close:1225.710 +4.640(0.4%) Volume:4.716.802 (+428269.10.0%)  
 COMPOSITE INDEX [COMPOSITE] 06/12/2007 - 08/04/2008 Ticks=80 { Indices } Bollinger Band(10,2) -23% - Volume Daily (Fibo)  
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### Composite Index Daily Technical Analysis, 08/04/2008, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width contracted another 23% on Tuesday. The contraction of the Bollinger Bands Width suggests a consolidation for the KLCI, and therefore, the direction is unclear. However, on the other hand, the contraction of the Bollinger Bands Width also suggests that the KLCI is gearing up for a new direction. If the Bollinger Bands Width should expand with the KLCI staying above the Bollinger Middle Band, it would be a bullish signal for the KLCI.

Still, T1 downtrend line and the gap (1244 – 1280) are still a major resistance for the KLCI. Therefore, if the Bollinger Bands Width should give a bullish signal, it would best to confirm with an increase of market volume, or the signal is likely to be weak.

As indicated by B, total market volume added 10% on Tuesday. However, it is still below the 40-day VMA level, suggesting that the current market participation is still insufficient. Therefore, the KLCI is still likely to trend sideways and some bearish biased.

As indicated by C, the MACD histogram is still falling while showing a rounding top. The rounding top suggests that the KLCI is weakening for the short term. However, since the MACD line is still above the trigger line, the MACD is still showing a bullish signal. If the MACD histogram should tick up and form a rounding bottom, it would be another bullish signal for the KLCI.

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