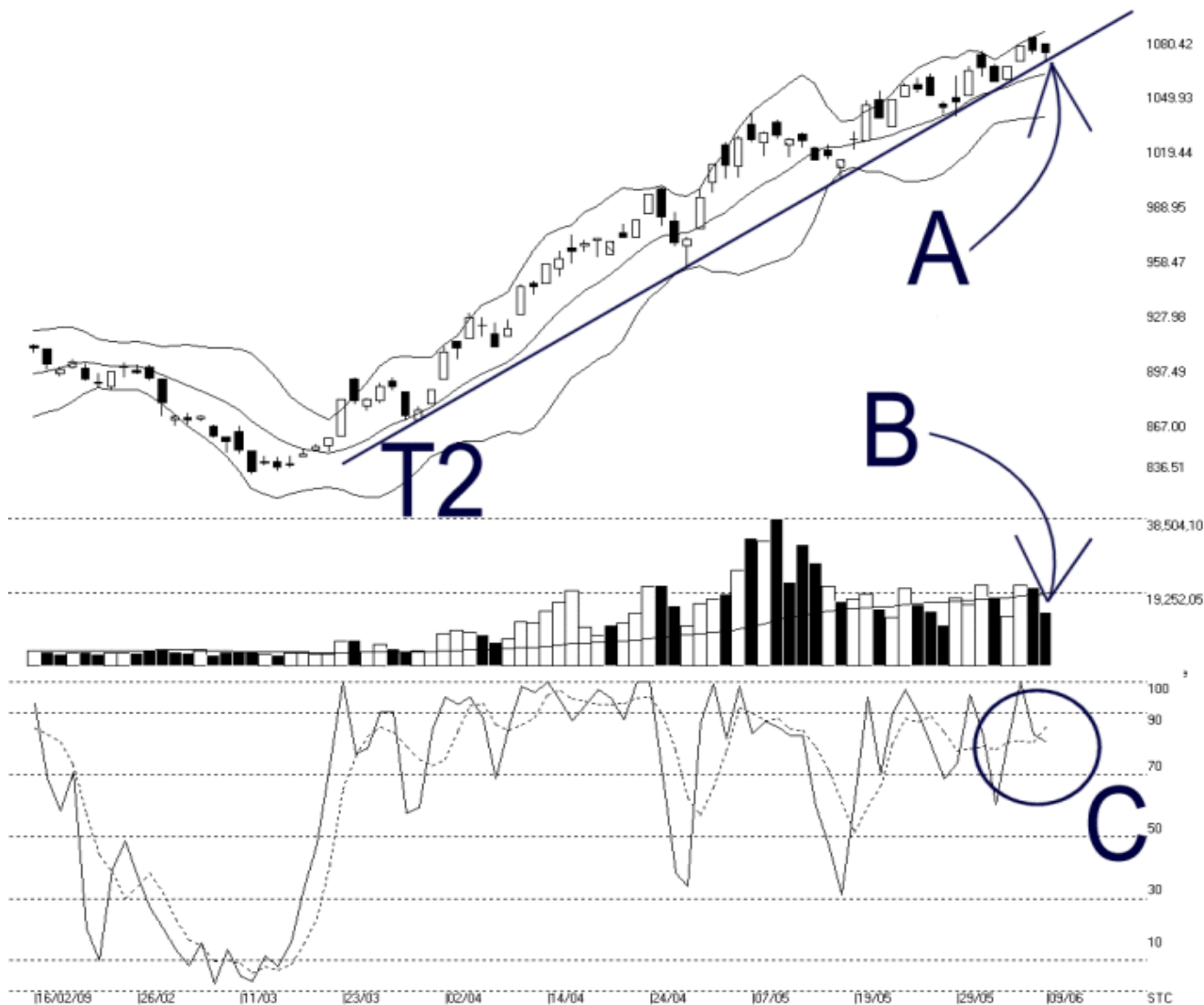




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1076.290 High:1076.290 Low:1066.990 Close:1071.790 -1.060(-0.1%) Volume:14,150,594 (-6399349,-31.1%)
COMPOSITE INDEX [COMPOSITE] 16/02/2009 - 09/06/2009 Ticks=80 (Indices) Bollinger Band(10.2) 6% - Volume Daily
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Composite Index Daily Technical Analysis, 09/06/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI ended almost flat with its daily low touching the T2 uptrend line before closing at 1071.79 points. Therefore, the T2 uptrend remains intact with the 1077 WinChart Automatic Fibonacci Retracement still being the resistance.

As shown on the chart above, the Bollinger Bands Width expanded 6%, from the previous 7%, suggesting that the Bollinger Bands Width is likely to contract, which means that the KLCI is more likely to consolidate.

As indicated by B, total market volume declined 31.1%, with volume below the 40-day VMA level. This shows that the overall market participation is now declining. If volume should remain relatively lower during the KLCI consolidation, it is rather normal, for investors choose to stay on the sideways without the fresh leads.

As circled at C, the Stochastic remains above 70%, which means that the short term movement of the KLCI is still bullish biased. If the Stochastic should break below 70%, it would be a signal suggesting a beginning of a technical correction.

The KLCI failed to break above the 1077 WinChart Automatic Fibonacci Retracement due to the lack of market participation, despite being supported by the T2 uptrend line. If the KLCI should break below the T2 uptrend line, the immediate outlook for the KLCI shall turn slightly negative as more downside risk is expected. Nevertheless, next support for the KLCI is at 1000 psychological level.

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