



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1084.130 High:1089.170 Low:1080.420 Close:1088.960 +5.99(0.6%) Volume:21,618,667 (-480065,-2.2%)
COMPOSITE INDEX [COMPOSITE] 18/02/2009 - 11/06/2009 Ticks=80 (Indices) Bollinger Band(10,2) 11% - Volume Daily
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Composite Index Daily Technical Analysis, 11/06/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width expanded another 11%, with the KLCI above the Bollinger Middle Band, therefore, the KLCI continued its bullish biased movement on Thursday, closing 5.99 points higher to 1088.96 points.

As shown on the chart above, the KLCI broke above the 1077 WinChart Automatic Fibonacci Retracement; therefore, the next resistance for the KLCI is at 1100 points; while the Bollinger Middle Band as well as the T2 uptrend line are still the dynamic support for the KLCI.

As indicated by B, total volume dropped 2.2% on Thursday, but volume remains above the 40-day VMA level. This shows that the market is still well-participated, thus a positive element to sustain the KLCI uptrend.

As circled at C, the Stochastic remains above 70% level, which suggests that the KLCI short term movement is still bullish biased. With the Stochastic touching 100%, it suggests that the KLCI is about to get over-heated, despite the short term bullishness. Therefore, there is a risk of a technical correction in the near future.

After rebounding from the T2 uptrend line, the KLCI continued its uptrend with the Bollinger Bands Width bullish signal, together with the volume returning to above 40-day VMA level. As long as the Bollinger Bands Width is still expanding, the bullish biased movement of the KLCI is likely to continue, until the next contraction of the Bollinger Bands Width.

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