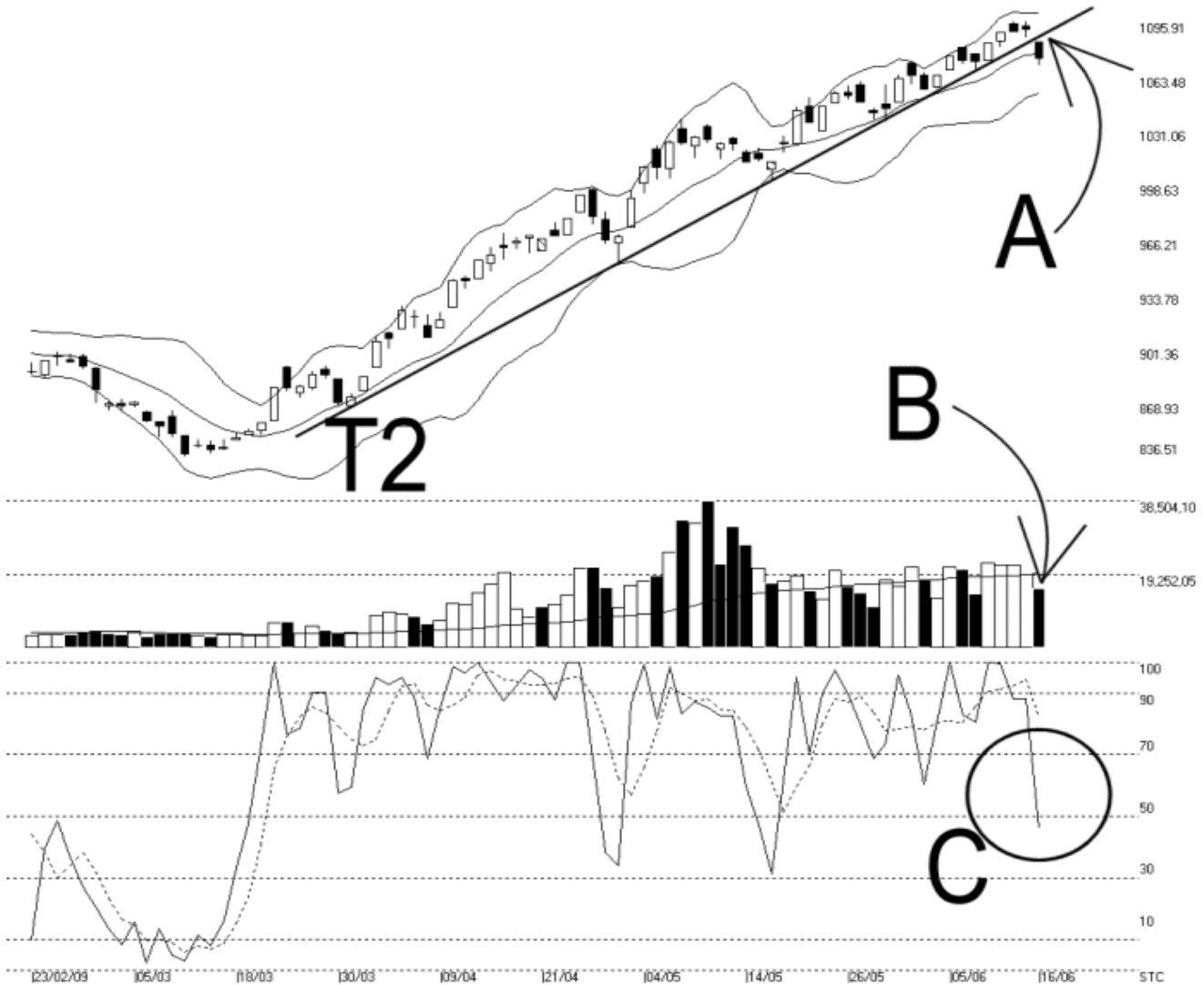




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1083.590 High:1083.590 Low:1069.740 Close:1074.120 -17.050(-1.6%) Volume:15,560,155 (-3639498,-19.0%)
COMPOSITE INDEX [COMPOSITE] 23/02/2009 - 16/06/2009 Ticks=80 (Indices) Bollinger Band(10,2) -6% - Volume Daily
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Composite Index Daily Technical Analysis, 16/06/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI broke below the T2 uptrend line, ended its T2 uptrend since March, 2009. However, this does not mean that the KLCI is now entering a downtrend, it is merely a beginning of a technical correction for the KLCI for the Bollinger Bands Width is contracting 6%.

Resistance for the KLCI remains at 1100 level, while the KLCI is now supported by the 14, 21, 31 EMA. If the KLCI should remain supported by the 14, 21, 31 EMA, the KLCI is likely to consolidate while temporary avoid the risk of entering a downtrend.

As indicated by B, total market volume declined 19% on Tuesday, and therefore, the volume is now below the 40-day VMA level, suggesting that the overall market is lightly participated. If volume should stay below the 40-day VMA level, the KLCI is less likely to pick up its strength nor to resume its T2 uptrend.

As circled at C, the Stochastic broke below 70% and touching 50% level, suggesting that the KLCI is now having its technical correction. If the Stochastic should continue to slide, more downside movement is expected for the KLCI.

Overall, the local market is having a technical correction, with 605 losers against 148 gainers, as a result, the KLCI broke below the T2 uptrend line. This is merely a technical correction, and not necessary means a beginning of a downtrend. If the Bollinger Bands Width should continue to contract, the KLCI is expected to consolidate further.

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