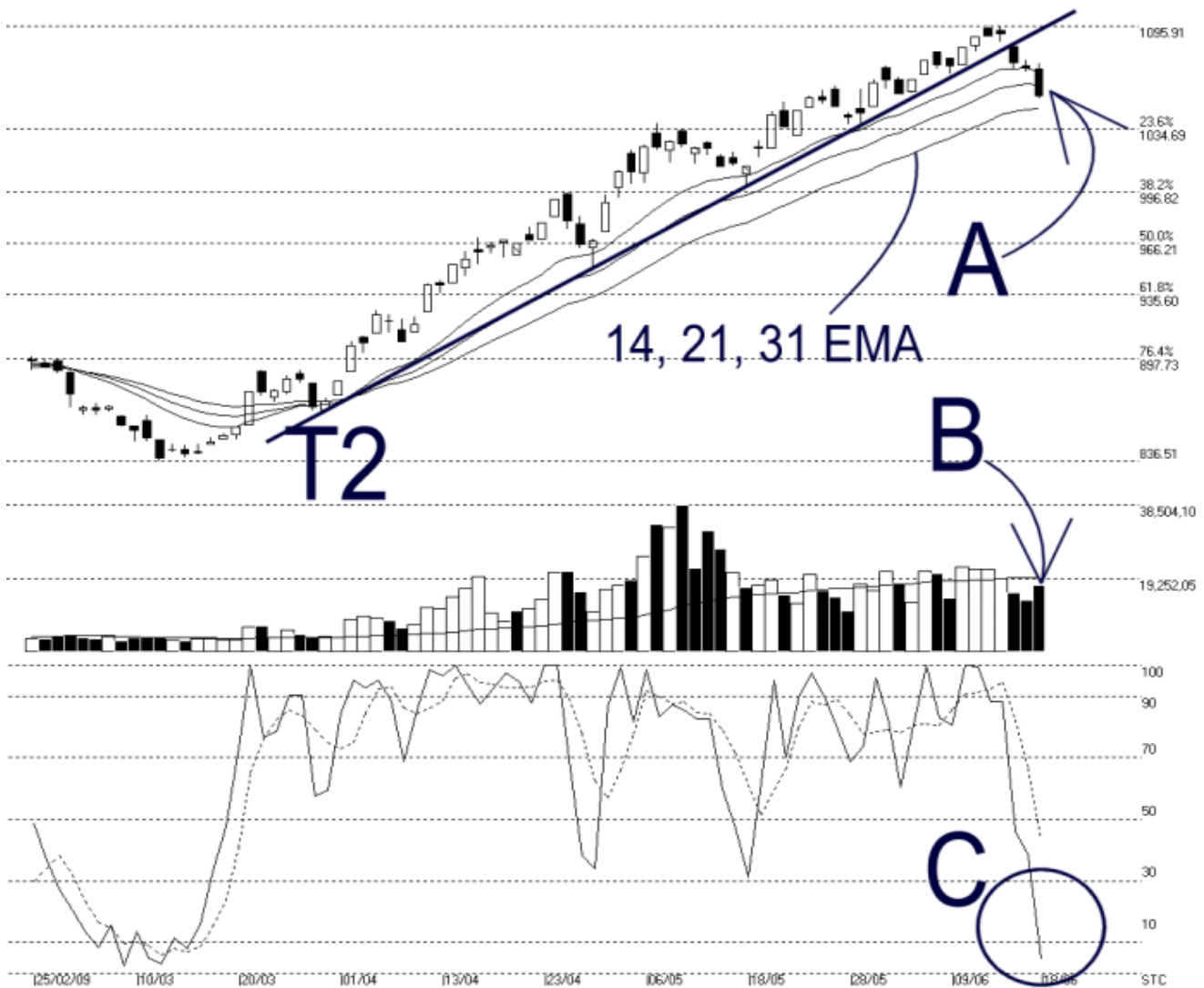


Open:1069.990 High:1073.260 Low:1052.480 Close:1054.410 -16.490(-1.5%) Volume:17,339,305 (+3742476.275%)
COMPOSITE INDEX [COMPOSITE] 25/02/2009 - 18/06/2009 Ticks=80 (Indices) Moving Averages e(14,21,31) 1068.367, 1060.36, 1046.68 - Volume Daily [Fibo]
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Composite Index Daily Technical Analysis, 18/06/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI fall below the 14 and 21-day EMA, while still holding above the 31-day EMA. This suggests that the KLCI is having its technical correction.

With the KLCI remains below the Bollinger Middle Band, the immediate outlook is now negative biased. Currently, the Bollinger Bands Width is no longer contracting. If the Bollinger Bands Width should expand with the KLCI below the Bollinger Middle Band, more downside risk is expected for the KLCI. Nevertheless, the important support level for the KLCI is at 1000 point while the immediate resistance is at the Bollinger Middle Band.

As indicated by B, total market volume increased 27.5%, but still below the 40-day VMA level. Despite the increased of volume on Thursday, the KLCI ended lower. Therefore, the increased of volume actually implied an increased of selling pressure. If the KLCI should continue to fall with high volume, it would further dampen the market sentiment.

As circled at C, the Stochastic breaks below 30%, entering the short term bearish region. Provided that the Stochastic is still below 30%, the market movement for the short term is expected to be bearish biased, all until the Stochastic should break above 30% level.

On Thursday, the KLCI had its sharpest correction since the uptrend in March, 2009, with 723 counters ended lower, the most losers since 10th of March, 2008. Nevertheless, with the Stochastic getting near 0%, the KLCI is likely to be over-sold, and a technical rebound is likely. In order for the KLCI to resume its uptrend, it must break above the Bollinger Middle Band and volume has to return to above the 40-day VMA level, or else, the bearish biased movement for the KLCI is expected to continue.

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