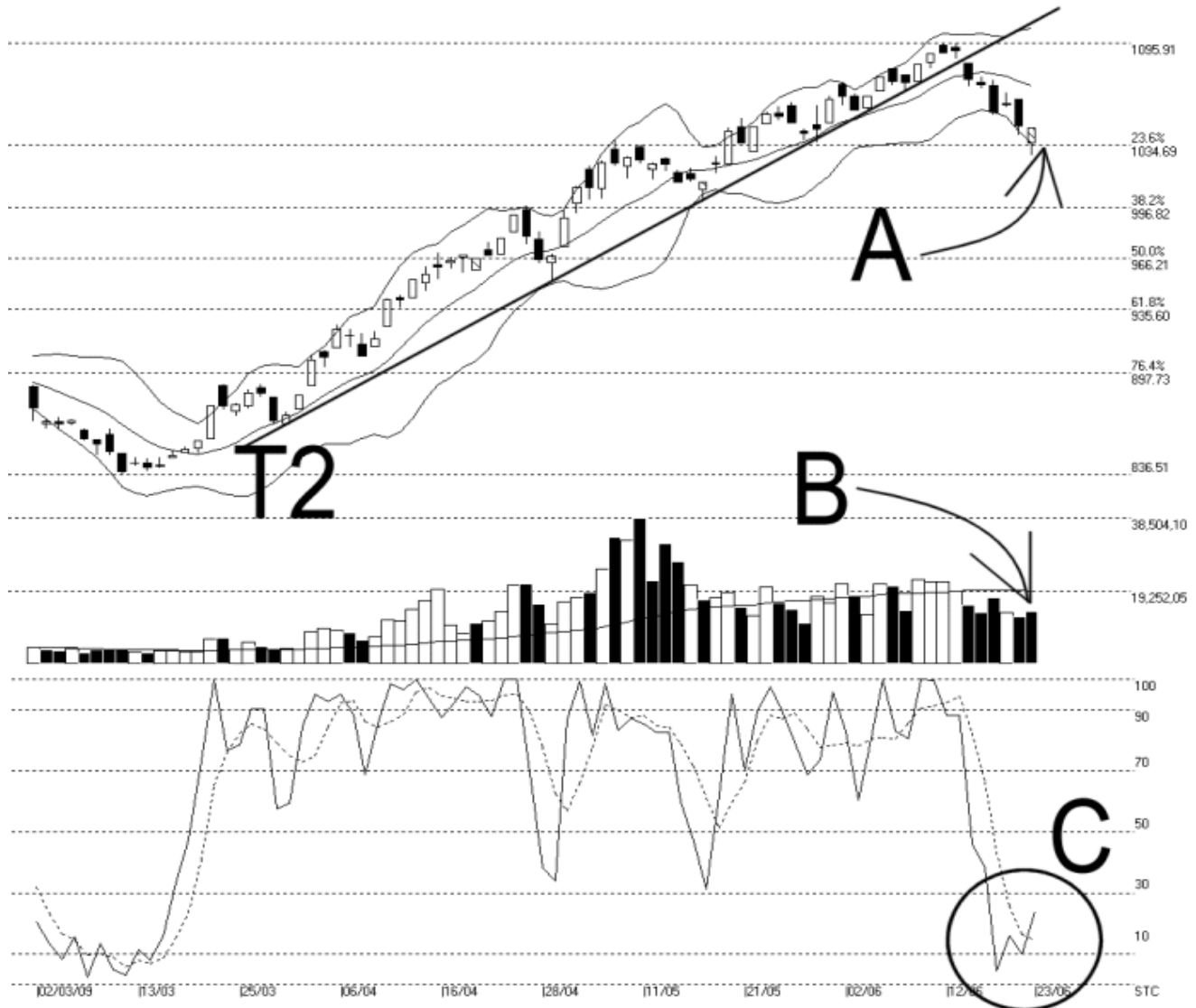


Open:1035.960 High:1044.480 Low:1028.140 Close:1044.480 -1.49(-0.1%) Volume:13,690,064 (+1308775,10.6%)
 COMPOSITE INDEX [COMPOSITE] 02/03/2009 - 23/06/2009 Ticks=80 (Indices) Bollinger Band(10,2) 15% - Volume Daily (Fibo)
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Composite Index Daily Technical Analysis, 23/06/2009, by Straits Index (M) Sdn Bhd

The KLCI opened lower on Tuesday, as the over Dow Jones Industrial Average losing 200 points. The KLCI had its intra-day reaching 1028.14, but it managed to rebound in the afternoon, and closing the day with only losing 1.49 points. As indicated by A, the 1035 WinChart Automatic Fibonacci Retracement is now the support for the KLCI while the resistance is at the Bollinger Middle Band dynamic resistance.

As shown on the chart above, the Bollinger Bands Width expanded 15%, with the KLCI below the Bollinger Middle Band; therefore, the immediate outlook for the KLCI is still bearish biased, until the Bollinger Bands Width should contract.

As indicated by B, total market volume increased 10.6%, but still below the 40-day VMA level. This shows that the overall market participation is still low, thus the KLCI is not likely to regain its strength without sufficient inflow of fresh capital.

As circled at C, the Stochastic touched 0% in the morning, which is an intra-day over-sold signal. As a result, the KLCI rebounded slightly. Despite a sign of a technical rebound, the Stochastic is still below 30%, which suggests that the short term movement for the KLCI is still bearish biased.

Currently, the KLCI is supported by the 1035 WinChart Automatic Fibonacci Retracement, and the KLCI might have a chance to consolidate at this level. Of course, it would have to be confirmed with the contraction of the Bollinger Bands Width. Nevertheless, if the KLCI should have a technical rebound, its first target will be the Bollinger Middle Band. If the KLCI could break above the Bollinger Middle Band, the KLCI could regain some strength, or else, the downside risk for the KLCI remains high.

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