



Straits Index (M) Sdn Bhd.  
WinChart Technical Analysis  
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Open:1046.210 High:1059.560 Low:1046.210 Close:1057.850 +13.370(1.3%) Volume:13,522,873 (-167191.-1.2%)  
COMPOSITE INDEX [COMPOSITE] 03/03/2009 - 24/06/2009 Ticks=80 (Indices) Bollinger Band(10,2) 3% - Volume Daily (Fibo)  
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### Composite Index Daily Technical Analysis, 24/06/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI continued its rebound on Wednesday, after being supported by the 1035 WinChart Automatic Fibonacci Retracement, closing the day 13.37 points or 1.3% higher. Therefore, the 1035 WinChart Automatic Fibonacci Retracement is still the support for the KLCI, while the resistance is at the Bollinger Middle Band.

As indicated by A, the Bollinger Middle Band is the first target of the KLCI rebound. If the KLCI should break above the Bollinger Middle Band, there is a chance for the KLCI to regain its strength. However, if the KLCI should remain resisted by the Bollinger Middle Band, the immediate outlook for the KLCI is still

bearish biased. Nevertheless, the Bollinger Bands Width only expanded 3% on Wednesday, comparing to the 15% previously; this implies that the Bollinger Bands Width might be contracting.

As indicated by B, total market volume declined 1.2%, with volume still staying below the 40-day VMA level. This shows that the the market participation overall is still weak, despite the KLCI rebounded over 13 points. In short, the KLCI is less likely to pickup its strength without sufficient inflow of fresh buyings.

As circled at C, the Stochastic broke above 30%, suggesting the KLCI is now technically rebounding, breaking away from the short term bearish region. However, if the KLCI should resume its bullish biased movement, the Stochastic would have to break above 70%.

After successfully rebounded from the 1035 WinChart Automatic Fibonacci Retracement, the KLCI failed to form a downtrend; but without substantial volume, the KLCI is still unlikely to resume its uptrend. Nevertheless, if the Bollinger Bands Width should contract, the KLCI is expected to consolidate, and from the technical stand point, the best consolidation would be a low-fluctuation, sideways movement.

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