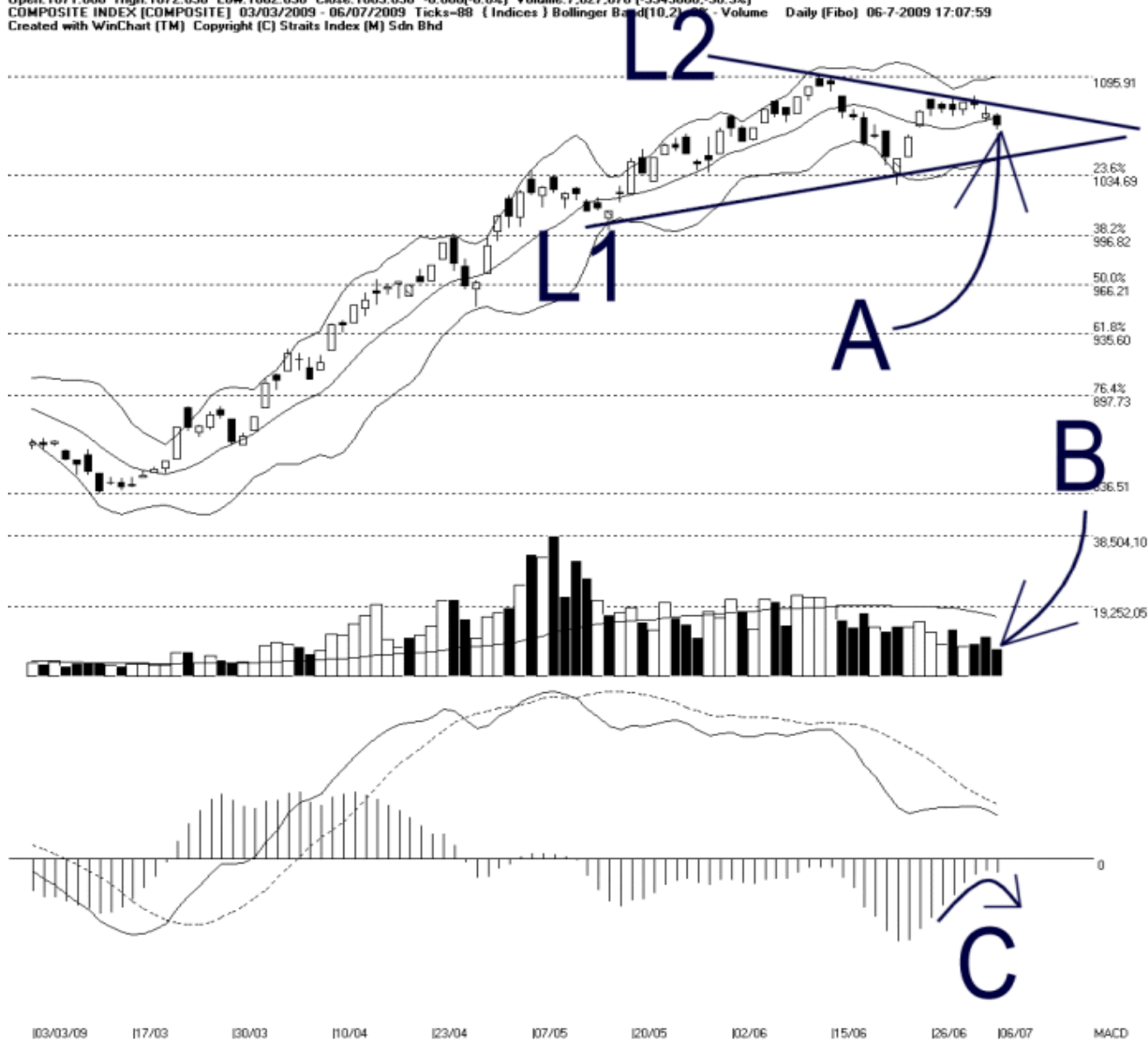


Open:1071.660 High:1072.690 Low:1062.650 Close:1065.830 -6.860(-0.6%) Volume:7,627,076 (-3345808,-30.5%)
 COMPOSITE INDEX [COMPOSITE] 03/03/2009 - 06/07/2009 Ticks=88 (Indices) Bollinger Band(10,2) % Volume Daily (Fibo) 06-7-2009 17:07:59
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Composite Index Daily Technical Analysis, 06/07/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI broke below the Bollinger Middle Band on Monday, ended 6.86 points lower to close at 1065.83 points. However, the Bollinger Bands Width did not expand, and therefore, the KLCI has not formed a downtrend yet.

As shown on the chart above, the KLCI remain resisted by the L2 dynamic resistance of the Symmetrical Triangle, and therefore, it is still consolidating with L2 line and the Bollinger Middle Band being the resistance, while the support is still seen at 1035 WinChart Automatic Fibonacci Retracement.

As indicated by B, total market volume declined 30.5%, while staying below the 40-day VMA level. This shows that the market participation is indeed insufficient, and it is a sign of low investors' confidence, as investors are still on the sidelines. Nevertheless, if market volume should remain below 40-day VMA level, the KLCI is not likely to regain its strength.

As circled at C, the MACD histogram started falling, and might be forming a rounding top. If the MACD histogram should continue to fall, it would form a rounding top, thus suggesting a short term weakening signal for the KLCI.

With the Bollinger Bands Width stop expanding, together with the KLCI consolidating within the Symmetrical Triangle, both Bollinger Bands and the chart pattern are suggesting that the KLCI is still preparing for a new movement. The new movement shall only be revealed if the KLCI should break out from the Symmetrical Triangle or the Bollinger Bands Width re-expansion.

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