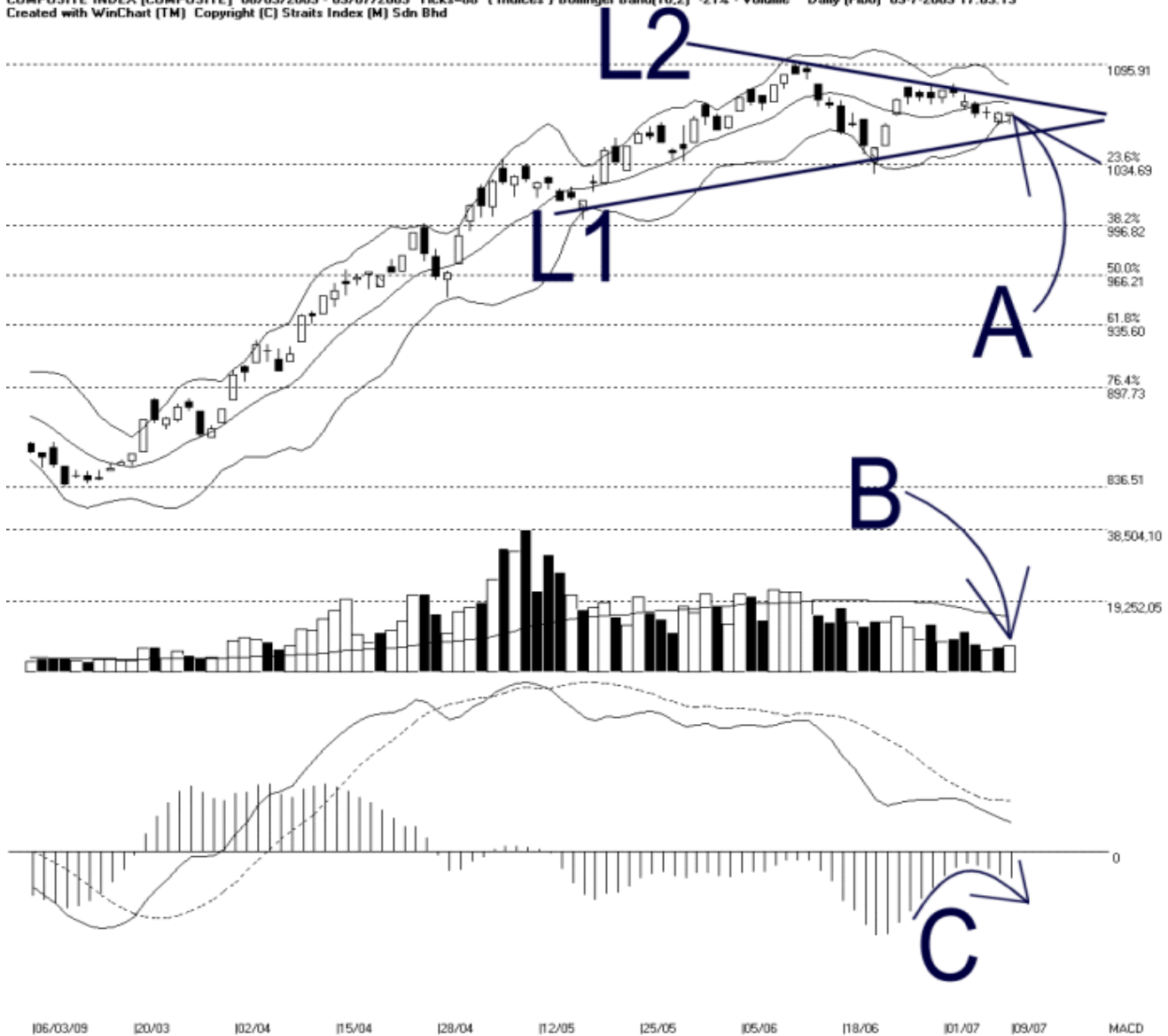


Open:1064.470 High:1065.680 Low:1058.410 Close:1065.680 +0.210(0.02%) Volume:6.975.994 (+247305.37%)
 COMPOSITE INDEX [COMPOSITE] 06/03/2009 - 09/07/2009 Ticks=88 (Indices) Bollinger Band(10,2) -21% - Volume Daily (Fibo) 09-7-2009 17:03:13
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Composite Index Daily Technical Analysis, 09/07/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width contracted 21% on Thursday, with the KLCI ended mixed below the Bollinger Middle Band. Therefore, the KLCI is still consolidating while waiting for the Bollinger Bands Width to expand. If the Bollinger Bands Width should re-expand, it would be a signal suggesting a beginning of a new movement for the KLCI.

As shown on the chart above, the KLCI remains in the narrow range between the L1 and L2 Symmetrical Triangle. Supports for the KLCI are seen at the L1 line and the 1035 WinChart Automatic Fibonacci Retracement while the resistance remain at the Bollinger Middle Band and the L2 line.

As indicated by B, total market volume increased 3.7%, but still below the 40-day VMA level. Therefore, this shows that the market volume is still insufficient, thus the KLCI is not likely to regain its strength.

As indicated by C, the MACD histogram is still falling, and therefore, the rounding bottom signal is not yet sighted. In other words, this suggests that the short term movement of the KLCI is still on the weaker side, until the MACD histogram should form a rounding bottom.

The KLCI has been trading within the Symmetrical Triangle for some time, and now getting closer to the tip of the triangle. Therefore, it is very closed to the break out point of the Triangle. Investors could also use the Bollinger Bands signal together with the breakout of the Triangle. If the Bollinger Bands Width should expands with KLCI below the Bollinger Middle Band, it would be a bearish signal for the KLCI. Otherwise, if the KLCI should break above the Bollinger Middle Band as the Bollinger Bands Width expands, it would be a bullish biased signal. But, a valid bullish break out signal must be accompanied by strong volume.

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