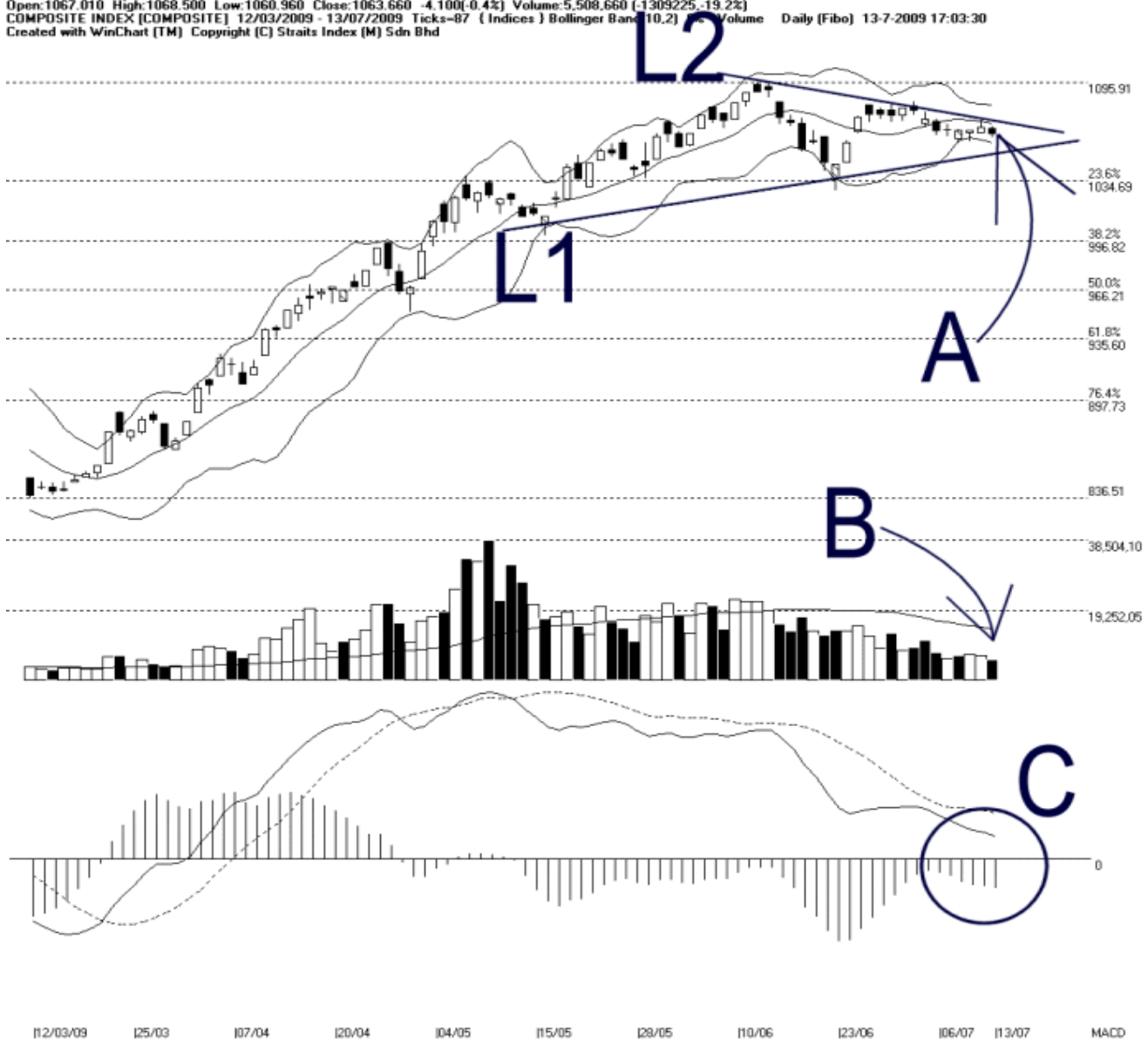


Open:1067.010 High:1068.500 Low:1060.960 Close:1063.660 -4.100(-0.4%) Volume:5,508,660 (-1309225.-19.2%)  
COMPOSITE INDEX [COMPOSITE] 12/03/2009 - 13/07/2009 Ticks=87 (Indices) Bollinger Band (10,2) Volume Daily (Fibo) 13-7-2009 17:03:30  
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### Composite Index Daily Technical Analysis, 13/07/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width expanded 6%, with the KLCI below the Bollinger Middle Band. Despite the expansion being insignificant, the KLCI is still below the Bollinger Middle Band, and the immediate outlook is still on the negative side. If the Bollinger Bands Width should expand further, the outlook for the KLCI is downside biased, until it could rebound and break above the Bollinger Middle Band.

As shown on the chart above, the KLCI has not broken below the Symmetrical Triangle, despite the slight negative signal from the Bollinger Bands. Supports for the KLCI remain at the L1 line and the 1035 WinChart Automatic Fibonacci Retracement while the resistance are still found at the L2 line and the

Bollinger Middle Band.

As indicated by B, total market volume declined 19.2%, with volume still below the 40-day VMA level. This shows that the market participation is still weak, as investors' confidence is still low, while waiting on the sidelines for some fresh lead. As long as the market volume is still below the 40-day VMA level, the weakness of the KLCI is expected to continue.

As circled at C, the MACD histogram has not formed a rounding bottom, despite the falling of the MACD histogram is slowing down. Therefore, there is no signal suggesting the KLCI is gaining strength.

While no improvement in the external factors, coupled with the low market participation, the KLCI failed to break above the Symmetrical Triangle L2 line, continued its narrowed consolidation. In short, the KLCI is very closed to the breaking point of the triangle. If the KLCI should break below the L1 line, the downside movement is expected to continue. Otherwise, if the KLCI should break above the L2 line, with volume up to the 40-day VMA level, there is a chance for the KLCI to regain its strength and test the 1095.91 WinChart Automatic Fibonacci Retracement.

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