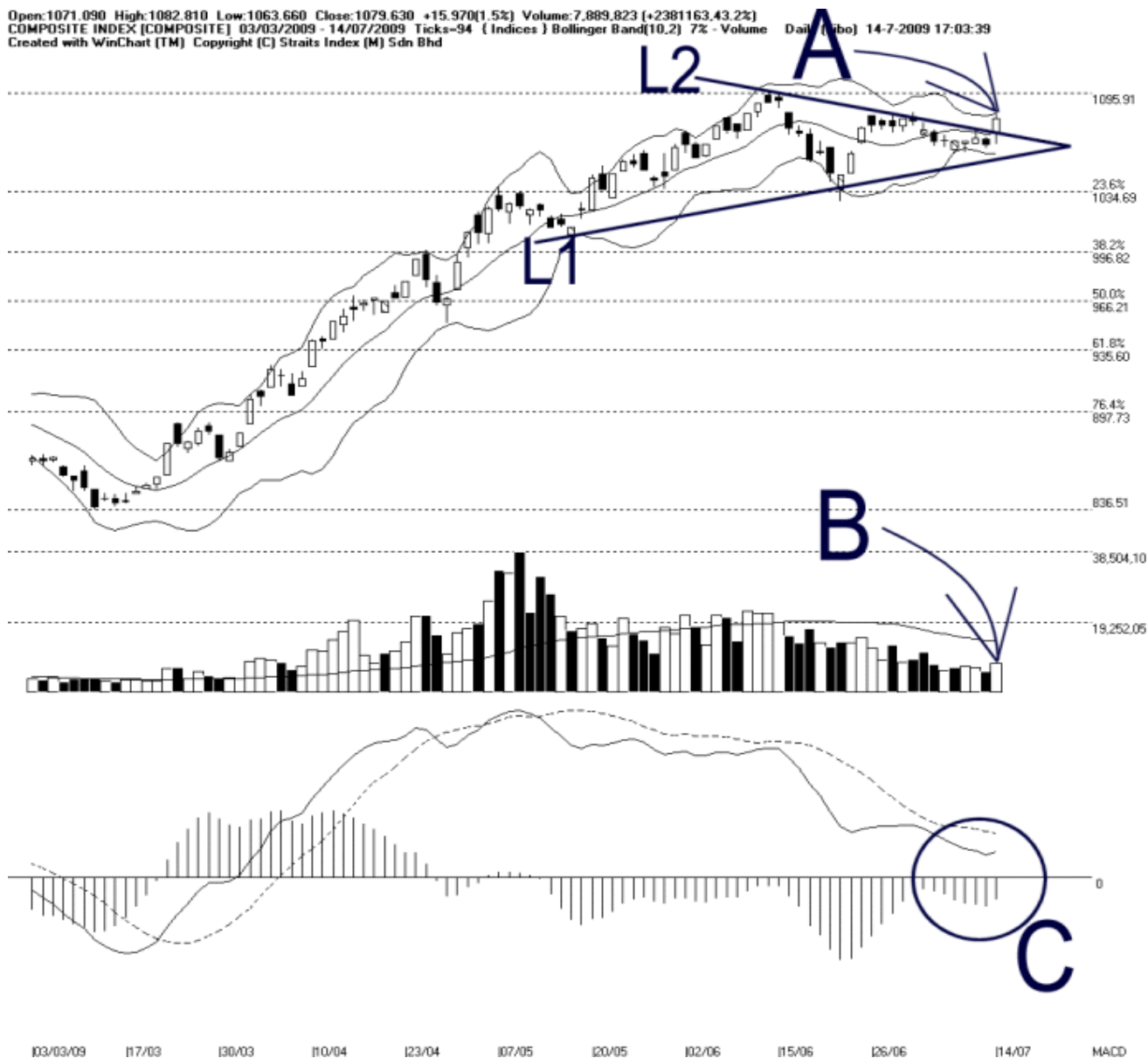


Open:1071.090 High:1082.810 Low:1063.660 Close:1079.630 +15.970(1.5%) Volume:7,889,823 (+2381163.43.2%)
 COMPOSITE INDEX [COMPOSITE] 03/03/2009 - 14/07/2009 Ticks=94 (Indices) Bollinger Band(10,2) 7% - Volume Daily (Auto) 14-7-2009 17:03:39
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 14/07/2009, by Straits Index (M) Sdn Bhd

As indicated by A, after wandering at the breaking point of the Symmetrical Triangle for a few days, the FBM KLCI finally break above the Symmetrical Triangle L2 resistance line, up 15.97 points on Tuesday, suggesting the KLCI is likely to regain some strength. Next resistance for the KLCI is seen at the 1095.91 WinChart Automatic Fibonacci Retracement while the supports are at Bollinger Middle Band and L1 line.

As shown on the chart above, the Bollinger Bands Width expanded 7%, with the KLCI breaking above the Bollinger Middle Band. If the Bollinger Bands Width should continue to expand, it would confirm the WinChart Bollinger Inversion Signal, the immediate outlook for the KLCI is expected to be bullish biased.

As indicated by B, total market volume increased 43.2%, suggesting that investors are slowly regaining some confidence. However, total market volume is still below the 40-day VMA level, which has not reached the ideal bullish level. Nevertheless, if volume should increase, it would help the KLCI to test the next resistance at 1095.91 WinChart Automatic Fibonacci Retracement.

As circled at C, the WinChart RSI rebounded on Tuesday, forming a rounding bottom, which suggests a technical rebound for the KLCI. If the MACD histogram should remain rising, the short term movement of the KLCI is expected to be positive biased, until the MACD histogram should form a rounding top.

Despite the bullish break out of the Symmetrical Triangle, total market volume failed to reach the 40-day VMA level. Therefore, this is not the strongest breakout signal. Nonetheless, breaking above the L2 line is an important criteria for the KLCI to turn bullish. If volume should continue to increase, the KLCI is likely to test its next resistance at 1095.91.

© 2009 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998