

Open:1093.160 High:1104.870 Low:1079.630 Close:1097.240 +17.610(1.6%) Volume:13,648,833 (+5759010.73.0%)
COMPOSITE INDEX [COMPOSITE] 25/03/2009 - 15/07/2009 Ticks=80 (Indices) Bollinger Band(10.2) 61% - Volume Daily 15-7-2009 17:26:11
Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 15/07/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the FBM KLCI continued its rally after Tuesday's break out above the Symmetrical Triangle, marked an intra-day new high of 1104.87 points, before closing the day at 1097.24 points, up 17.61 points or 1.6%. Supports for the KLCI are at the Bollinger Middle Band as well as the L1 line, while the resistance is still at 1095.91 level.

As shown on the chart above, the Bollinger Bands Width expanded 61%, with the KLCI above the Bollinger Middle Band, therefore, the bullish Bollinger Bands signal remains intact. If the Bollinger Bands Width should continue to expand, with the KLCI above the Bollinger Middle Band, the outlook for the KLCI is

expected to be positive biased.

As indicated by B, total market volume increased 73%, with volume now reaching the 40-day VMA level. This shows that the market participation is now at a healthy level, as investors confidence about the market is gradually improving. In short, if volume should remain above the 40-day VMA level, the KLCI rally is likely to sustain.

As circled at C, the MACD histogram continue rising, while still showing a Rounding bottom signal. This suggests the short term movement of the KLCI is still bullish biased. If the MACD histogram should continue rising and breaking above the zero level, the short term movement of the KLCI is likely to continue, until the MACD histogram should form a Rounding Top.

Despite the KLCI breaking new high, it only managed to close marginally above the 1095.91 resistance level. Therefore, there is still a risk of the KLCI in forming a Double Top pattern. Nevertheless, if the Bollinger Bands Width should continue to expand with the KLCI above the Bollinger Middle Band, coupled with volume above the 40-day VMA level, the current positive movement of the KLCI is expected to continue.

© 2009 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998