

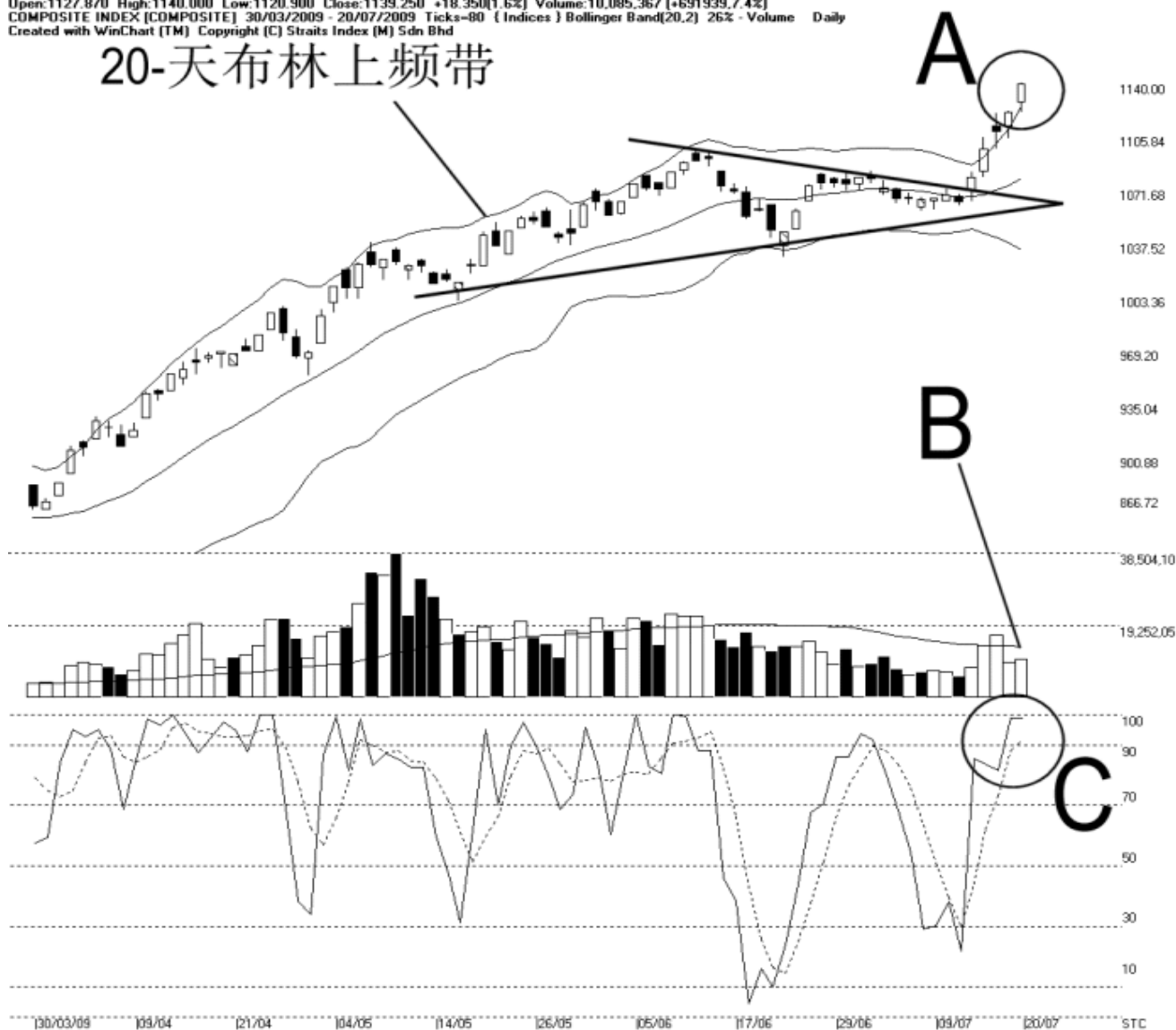


Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1127.870 High:1140.000 Low:1120.900 Close:1139.250 +18.350(1.6%) Volume:10,085,367 (+691939,7.4%)
COMPOSITE INDEX [COMPOSITE] 30/03/2009 - 20/07/2009 Ticks=80 (Indices) Bollinger Band(20,2) 26% - Volume Daily
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20-天布林上频带



Composite Index Daily Technical Analysis, 20/07/2009, by Straits Index (M) Sdn Bhd

On Monday the FBM-KLCI marked another new high with 1140 points, before closing the day at 1139.25 points, up 18.35 points or 1.6%. Resistance for the KLCI is still at 1163 WinChart Automatic Fibonacci Retracement while the supports are seen at 1096 and Bollinger Middle Band.

As circled at A, the KLCI is now the 3rd day staying above the 20-day Bollinger Upper Band, suggesting the KLCI short term movement is indeed strong, but over-heated, and there is still a chance of a pullback effect as a form of technical correction. Nevertheless, the 10-day Bollinger Bands Width expanded 33%, suggesting the KLCI short term is still strong. Until the Bollinger Bands Width should contract, it would be

a signal suggesting a consolidation for the KLCI.

As indicated by B, total market volume increased only 7.4%, while still below the 40-day VMA level, despite the KLCI breaking another new high. This shows that the market participation is relatively insufficient, as investors are being cautious while waiting for clearer leads. Generally, a healthy uptrend must have volume above the 40-day VMA level to support its rally. Therefore, the sustainability of the currently rally is still doubtful if volume should failed to return to above 40-day VMA level.

As circled at C, the Stochastic is still near 100%, which is the short term over-bought region, suggesting the short term movement of the KLCI is over-heated. Nevertheless, provided that the Stochastic is still above 70% level, the short term movement of the KLCI is still bullish biased. If the Stochastic should break below 70% level, it would be a signal suggesting a beginning of a technical correction.

As lead my positive performance of the regional markets, the KLCI ended higher, despite the insufficient market volume. This shows that the confidence of investors is still not fully restored. In short, volume above the 40-day VMA level is the main fuel to the KLCI rally, and therefore, to sustain the rally, total market volume has to return to above 40-day VMA level.

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