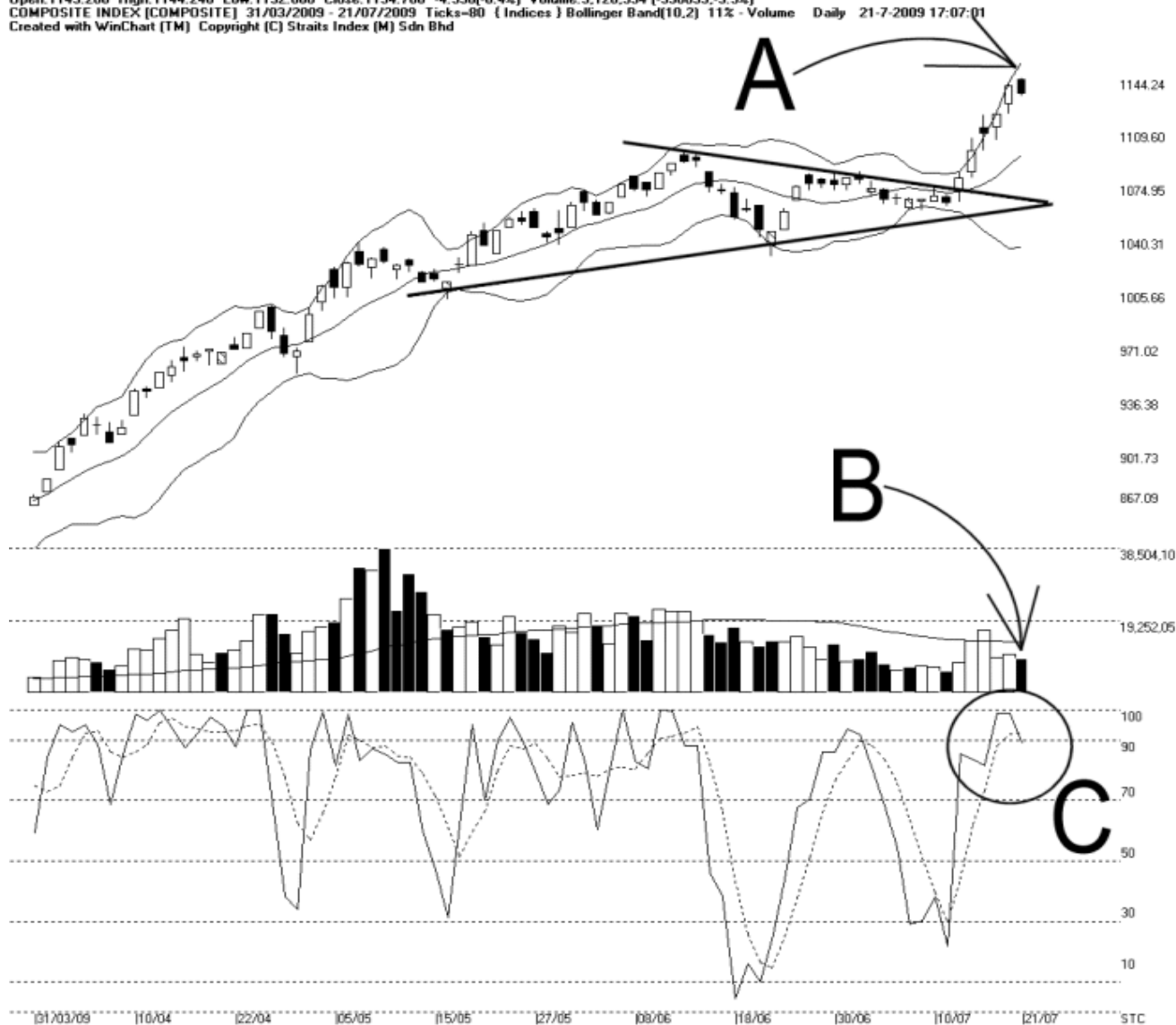


Open:1143.260 High:1144.240 Low:1132.060 Close:1134.700 -4.550(-0.4%) Volume:9,126,534 (-958833,-9.5%)
 COMPOSITE INDEX [COMPOSITE] 31/03/2009 - 21/07/2009 Ticks=80 (Indices) Bollinger Band(10,2) 11% - Volume Daily 21-7-2009 17:07:01
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Composite Index Daily Technical Analysis, 21/07/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the FMBKLCI opened higher on Tuesday, but as profit taking activities took place, the KLCI started to retreat, ended the day 4.55 points or 0.4% lower. Resistance for the KLCI remains at 1163 WinChart Automatic Fibonacci Retracement while the supports are still at Bollinger Middle Band and the 1096 level.

As indicated by A, the Bollinger Bands Width expanded 11%, compared to the previously 33%. This shows that the Bollinger Bands Width might be contracting soon, thus suggesting a technical correction or consolidation of the KLCI. Generally, if the KLCI should technically correct, the first target is the Bollinger

Middle Band.

As indicated by B, total market volume declined 9.5%, with volume still below the 40-day VMA level. This suggests that the overall market participation is still insufficient, as the investors confidence about the market is still low. Generally, to sustain a healthy uptrend, total market volume has to be above the 40-day VMA level.

As circled at C, the Stochastic retreated on Tuesday, after hitting 100% level. The retreat of the Stochastic shows that the KLCI might be having a technical correction, and nevertheless, with the Stochastic still above 70% level, the market short term movement is still bullish biased, until the Stochastic should break below 70% level.

After staying at over-bought condition for a few days, the KLCI finally retreated as the Pullback effect. However, this does not mean the end of the rally. If the KLCI should be supported by the Bollinger Middle Band after its possible technical correction, there is a chance of the KLCI to resume its rally, and the best confirmation would be volume above the 40-day VMA level.

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