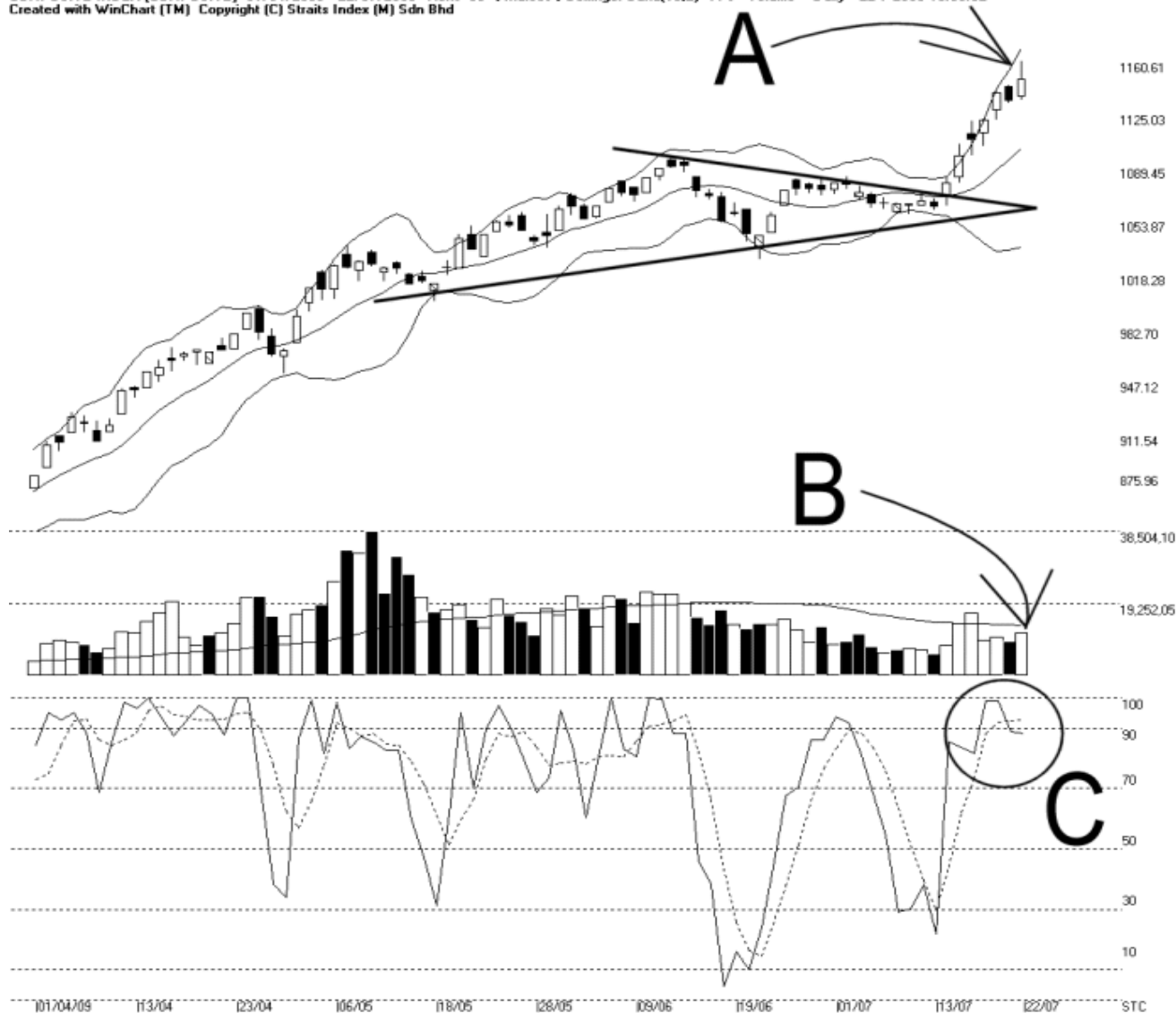


Open:1137.170 High:1160.610 Low:1134.700 Close:1148.700 +14.000(1.2%) Volume:11,105,835 (+1979301.21.7%)
 COMPOSITE INDEX [COMPOSITE] 01/04/2009 - 22/07/2009 Ticks=80 (Indices) Bollinger Band(10,2) 11% - Volume Daily 22-7-2009 15:33:02
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Composite Index Daily Technical Analysis, 22/07/2009, by Straits Index (M) Sdn Bhd

As lead by the over-night gain of the Dow Jones Industrial Average, the KLCI touched yet another new high on Wednesday. However, the KLCI had its intra-day high reaching 1160.61 points, very closed to the 1163 WinChart Automatic Fibonacci Retracement resistance; therefore, some profit taking activities took place, and the KLCI retreated before closing at 1148.70 points, up 14 points or 1.2%.

As indicated by A, the Bollinger Bands Width expanded another 11%, with the KLCI above the Bollinger Middle Band, suggesting the short term movement of the KLCI is still bullish biased. If the Bollinger Bands Width should contract, it would be a signal suggesting a consolidation for the KLCI. Nonetheless, resistance

for the KLCI remains at 1163 WinChart Automatic Fibonacci Retracement while the supports are still at 1096 and the Bollinger Middle Band.

As indicated by B, total market volume increased 21.7%, but still below the 40-day VMA level. Nevertheless, total market volume is getting closer to the 40-day VMA level, and if it should break above the 40-day VMA level, it would help maintain the current positive market sentiment, thus a positive element to sustain the current bullish movement.

As circled at C, the Stochastic retreated slightly but still above 70% level, which suggests that the short term bullish movement of the KLCI remains intact. If the Stochastic should break below 70% level, it would be a signal suggesting a technical correction or consolidation for the KLCI.

Despite breaking yet another new high, total market volume remains below the 40-day VMA level, suggesting that the current uptrend is not too well-received by investors, therefore, the risk of a technical correction remains intact. Nonetheless, should the KLCI be supported by the Bollinger Middle Band, the short term bullish movement of the KLCI remains intact.

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