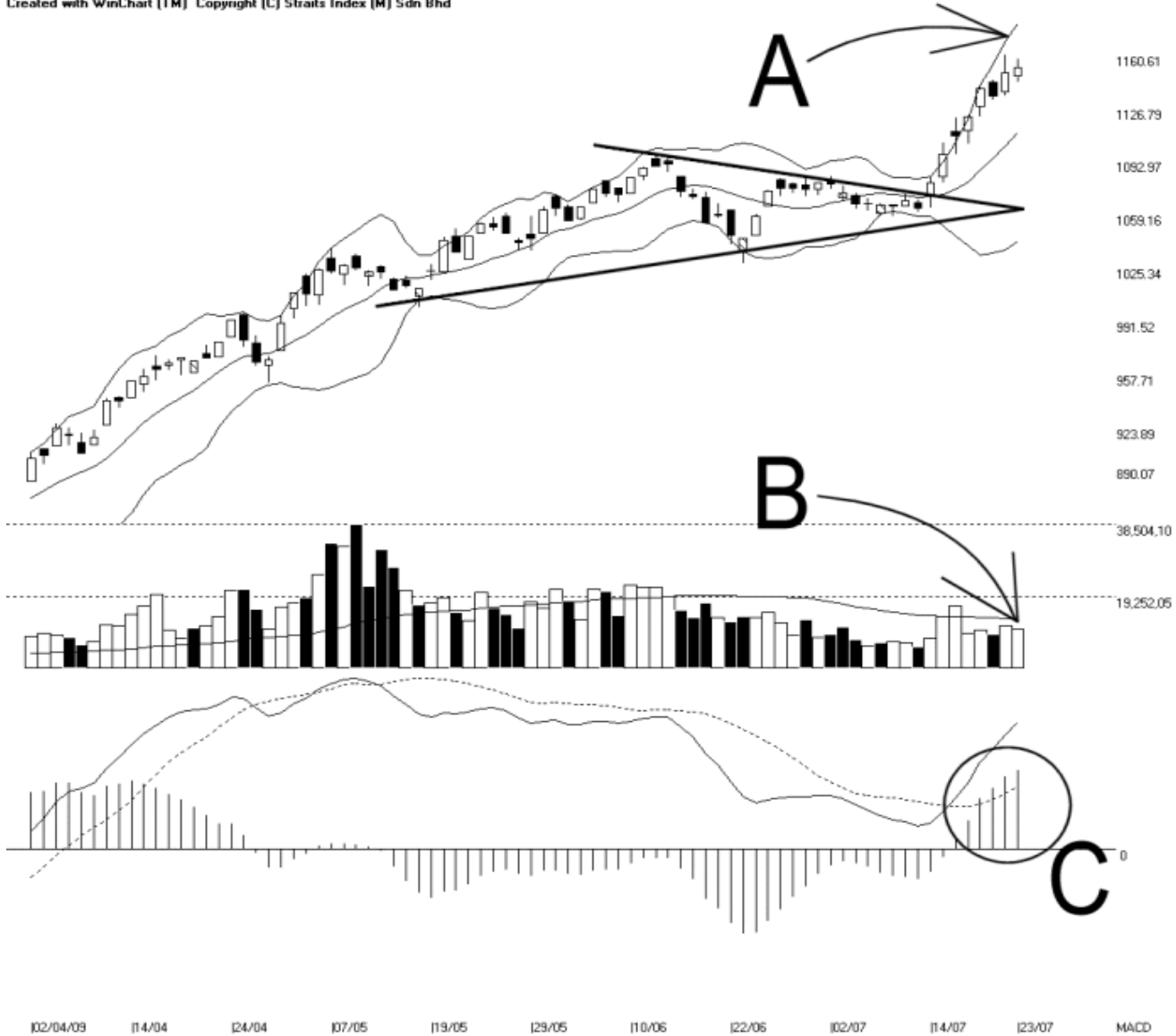


Open:1146.810 High:1157.720 Low:1142.930 Close:1152.150 +3.45(0.3%) Volume:10.348.641 [-757194,-6.8%]
 COMPOSITE INDEX [COMPOSITE] 02/04/2009 - 23/07/2009 Ticks-80 (Indices) Bollinger Band(10,2) 5% - Volume Daily 23-7-2009 17:04:58
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Composite Index Daily Technical Analysis, 23/07/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI ended 3.45 points higher on Thursday, but still below the 1163 WinChart Automatic Fibonacci Retracement. Therefore, 1163 WinChart Automatic Fibonacci Retracement is still the resistance for the KLCI while 1096 and the Bollinger Middle Band are the supports for the KLCI.

As indicated by A, the Bollinger Bands Width expansion rate declined to only 5%, from the previous 11%. This suggests that the Bollinger Bands Width might be contracting. If the Bollinger Bands Width should contract, it would be a signal suggesting a technical correction or a consolidation for the KLCI.

As indicated by B, total market volume declined 6.8%, with volume still below the 40-day VMA level. This is due to the lack of positive factors as investors confidence about the market has not fully recovered. Nevertheless, if volume should increase and break above the 40-day VMA level, it would help to sustain the market bullish biased sentiment, thus pushing the KLCI higher.

As circled at C, the MACD histogram is still rising, while no rounding top is sighted at the moment. This shows that the short term movement of the KLCI is still bullish biased. If the MACD histogram should form a rounding top, it would be a signal suggesting a consolidation for the KLCI.

Even since breaking above the Symmetrical Triangle, the KLCI has gained a total of 88.49 points or 8.3%, and until now, no significant technical correction yet. Since there is a slight implication that the Bollinger Bands Width might be contracting soon, investors may want to monitor the Bollinger Bands Width, for if the Bollinger Bands Width should contract, the KLCI would consolidate.

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