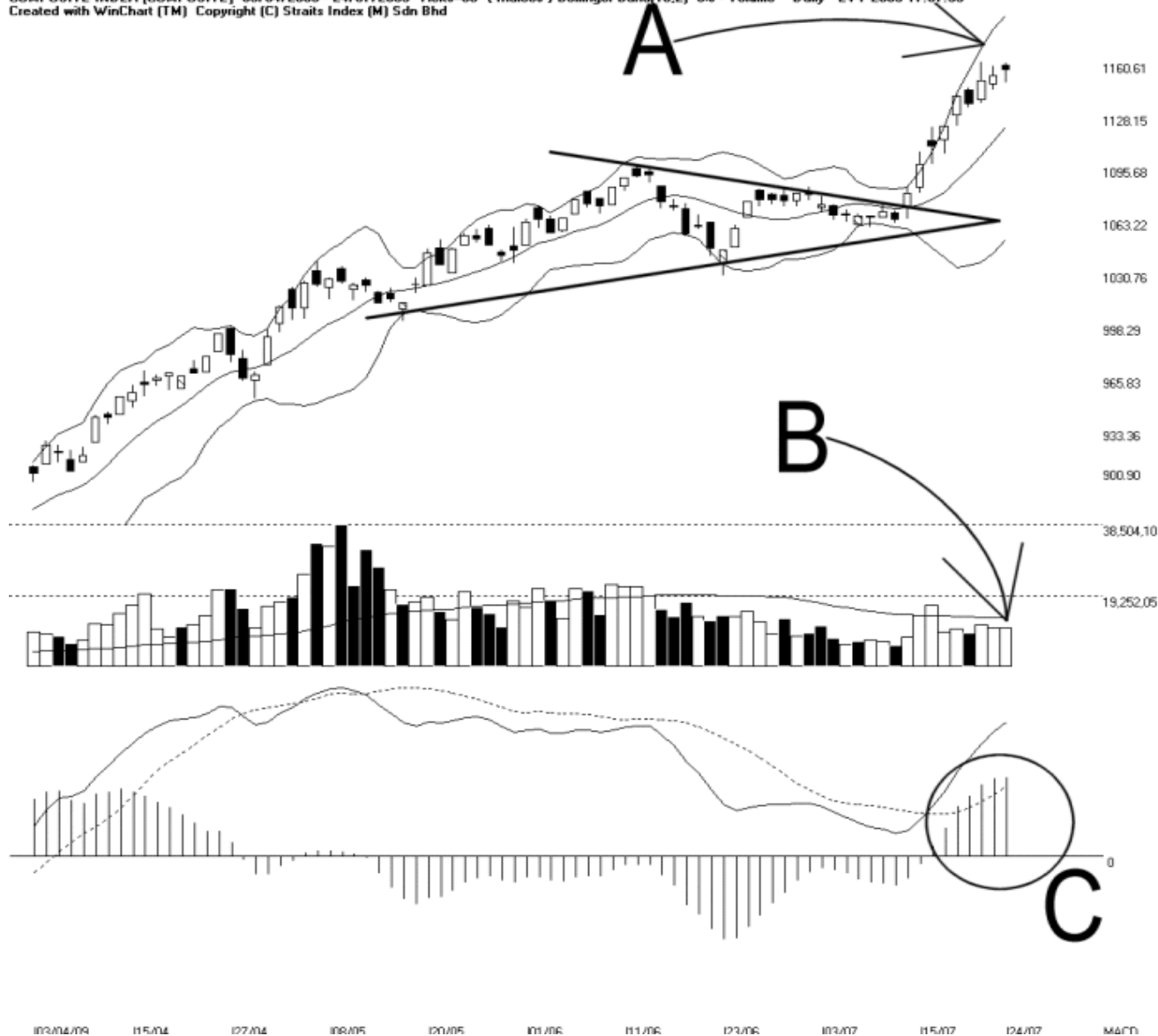


Open:1158.380 High:1159.810 Low:1147.850 Close:1155.880 +3.730(0.3%) Volume:10,398,103 (+49462.05%)
 COMPOSITE INDEX [COMPOSITE] 03/04/2009 - 24/07/2009 Ticks-80 (Indices) Bollinger Band(10.2) 0% - Volume Daily 24-7-2009 17:07:35
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Composite Index Daily Technical Analysis, 24/07/2009, by Straits Index (M) Sdn Bhd

Despite the overnight gain of the Dow Jones Industrial Average, gaining 2.1%, the KLCI failed to break above the 1163 WinChart Automatic Fibonacci Retracement, which suggests that the current resistance for the KLCI remains at 1163, while the supports are found at 1096 as well as the Bollinger Middle Band.

As indicated by A, the Bollinger Bands Width did not expand, suggesting that the Bollinger Bands Width might be contracting. Therefore, if the Bollinger Bands Width should contract, it would be a signal suggesting a consolidation of the KLCI, then, the Bollinger Middle Band would be an important support for the KLCI.

As indicated by B, total market volume increased only 0.5%, with volume still below the 40-day VMA level. This suggests that the overall market participation is still insufficient, as investors are being very cautious with the KLCI testing its resistance. Nonetheless, if the KLCI should attempt to break its resistance, volume has to be higher above the 40-day VMA level.

As circled at C, the MACD histogram is still rising but at a slower pace, thus implying that the MACD histogram might be forming a rounding top. If the MACD histogram should form a rounding top, it would be a signal suggesting a short term weakening of the KLCI, thus a technical correction.

With signals from the Bollinger Bands as well as the MACD histogram implying a consolidation of the KLCI, coupled with volume below the 40-day VMA level, the KLCI is likely to consolidate. However, this does not mean an end to the KLCI short term uptrend for the KLCI is still above the Bollinger Middle Band.

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