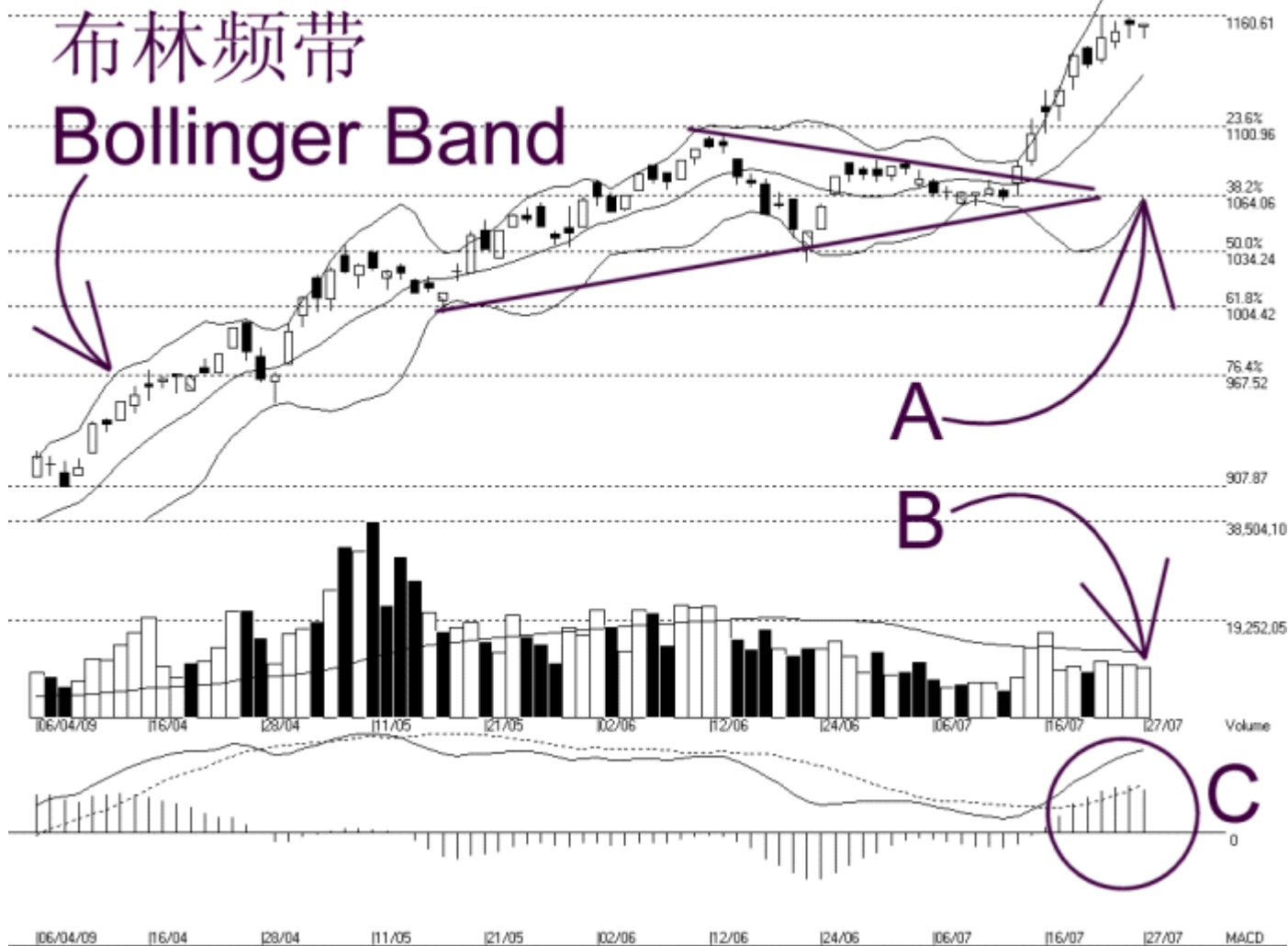


Open:1154.950 High:1156.430 Low:1148.260 Close:1156.430 +0.550(0.0%) Volume:9,873,176 (-524927,-5.0%)
 COMPOSITE INDEX [COMPOSITE] 06/04/2009 - 27/07/2009 Ticks=80 (Indices) Bollinger Band(10,2) -5% - MACD(12,26,9) Daily (Fibo)
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Composite Index Daily Technical Analysis, 27/07/2009, by Straits Index (M) Sdn Bhd

KLCI is only manage to advance 0.55 points as KLCI approach 1163 WinChart Automatic Fibonacci Retracement, this 50% retracement between historical high 1524.69 pt and 801.27 pt, there for KLCI is expected to face some tough resistance at around 1163.

As indicated by A, Bollinger Band contracted 5%, this is a confirmation sign of KLCI technical correction. Normally should Bollinger Band continue to narrow, KLCI technical correction will continue to take place, and the first target of the correction would be Bollinger Middle Band, it is also KLCI potential Dynamic Support line.

Total market volume further declined 5% (refer to B), this is the sign that the market is still lack of substantial trading volume, this is one of the reason behind today's technical correction.

As circled at C, the MACD Histogram declined today and formed a Rounding Top, this is the confirmation of KLCI technical correction, usually KLCI will continue to self-correct, until MACD Histogram form an opposite Rounding Bottom.

In a nutshell, due to the fact that the market is still lack of confidence, which causes a lightly traded volume in addition to profit taking in index linked stocks, not to mention there are sign that investors are switching to second and third liners, and KLCI corrected technically as the result of that. In the the current situation, Bollinger Middle Band become a very important support line, should KLCI supported by the Middle Band, KLCI would still have a chance to rebound or soar; otherwise should KLCI failed to be supported by Middle Band, it could be an early sign of KLCI turning weak.

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