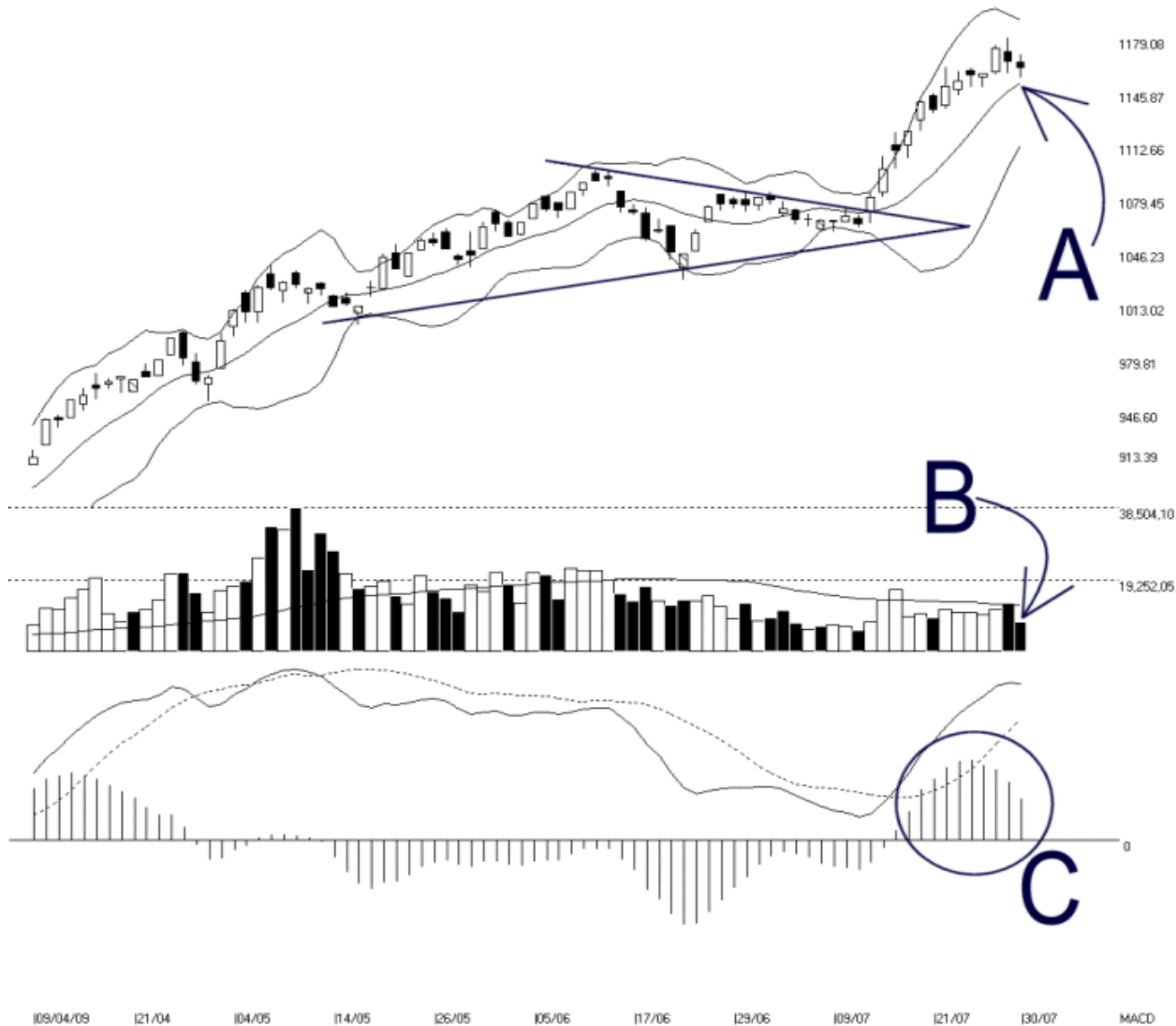




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1163.750 High:1168.440 Low:1153.810 Close:1160.660 -3.820(-0.3%) Volume:7,888,597 (-5132986.-39.4%)
COMPOSITE INDEX [COMPOSITE] 09/04/2009 - 30/07/2009 Ticks=80 (Indices) Bollinger Band(10.2) -19% - Volume Daily 30-7-2009 17:06:12
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Composite Index Daily Technical Analysis, 30/07/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the KLCI consolidated around the 1163 WinChart Automatic Fibonacci Retracement level, closing 3.83 points or 0.3% lower. Resistance for the KLCI remains at 1186 WinChart Automatic Fibonacci Retracement. If the KLCI should rebound, the 1163 WinChart Automatic Fibonacci Retracement shall resume to be the support for the KLCI.

On Thursday, the Bollinger Bands Width contracted another 19%, suggesting the KLCI is consolidating. As indicated by A, the KLCI remains supported by the Bollinger Middle Band, and therefore, the immediate outlook for the KLCI is still bullish biased. If the KLCI should rebound above the Bollinger Middle Band,

and the Bollinger Bands Width should re-expand, the KLCI could resume its rally.

As indicated by B, total market volume declined 39.4%, with investors remain at the sidelines while waiting for some fresh leads. Generally, it is normal to have lower volume during the KLCI consolidation. However, if the KLCI should resume its rally, volume has to increase and above the 40-day VMA level to confirm the bullish movement.

As circled at C, the MACD histogram is still showing a rounding top. This suggests that the KLCI short term consolidation is still intact. The MACD histogram should rebound and form a rounding bottom, only then, it would suggest that the consolidation has ended, and the KLCI could have a chance to regain some strength.

From the Technical analysis point of view, the current low fluctuation consolidation of the KLCI is a typical healthy consolidation, with the KLCI still above the Bollinger Middle Band, the outlook has not turned bearish biased. If the Bollinger Bands Width should continue to contract, it would suggest that the KLCI is gearing up for a new movement, and the direction of the new movement shall only be revealed when the Bollinger Bands Width re-expands.

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