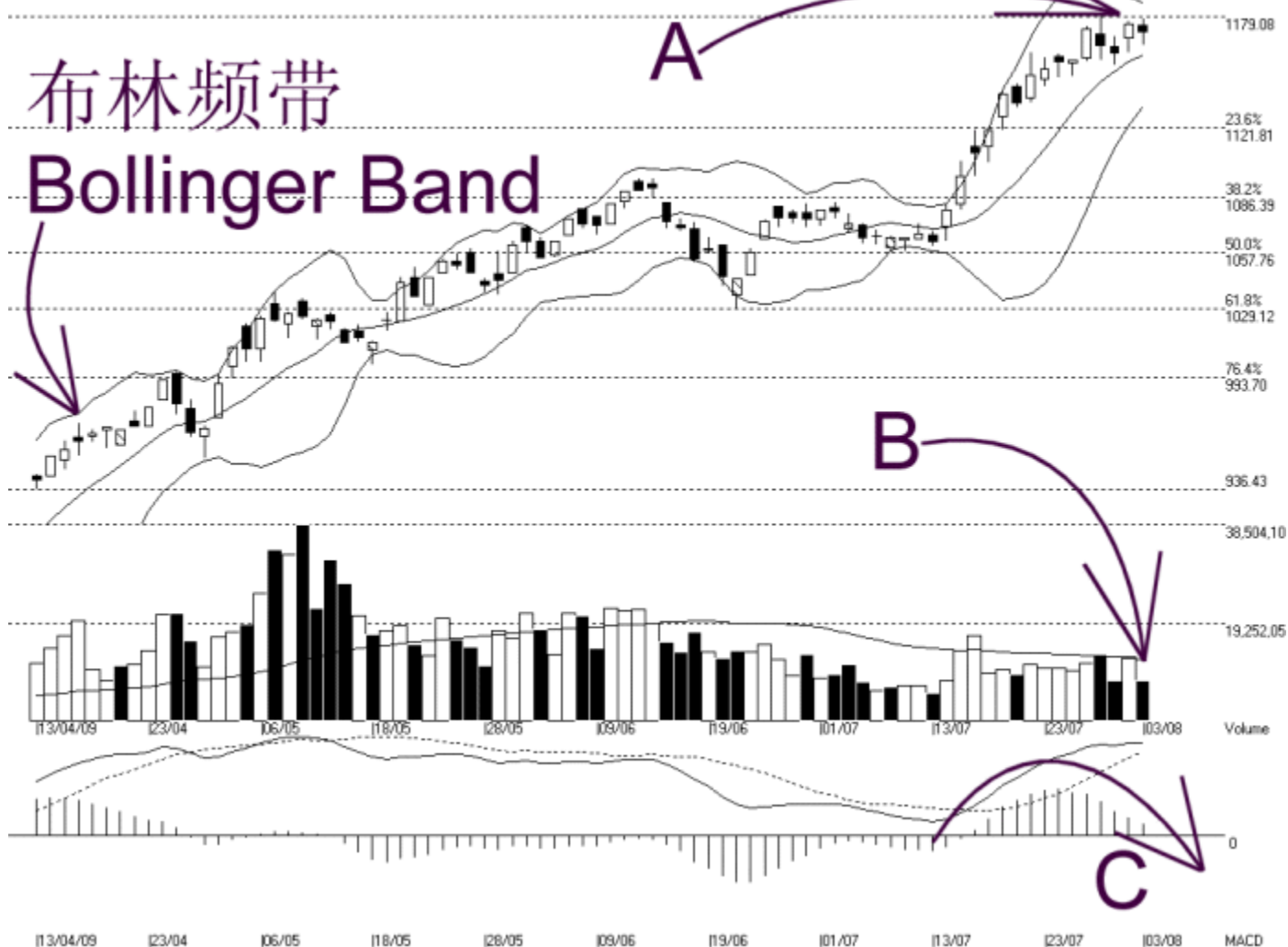


Open:1174.340 High:1177.640 Low:1164.360 Close:1171.310 -3.590(-0.3%) Volume:7,951,951 (-4616188,-36.7%)
 COMPOSITE INDEX [COMPOSITE] 13/04/2009 - 03/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) -20% - MACD(12,26,9) Daily (Fibo) 83-8-2009 17:13:27
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Composite Index Daily Technical Analysis, 03/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, KLCI dropped 3.59 pt, failing to break above last week's high of 1179.08 pt; however, KLCI remained supported by 1163 pt WinChart Automatic Fibonacci Retracement (WAFR), therefore, WAFR is major support level of KLCI, while the resistance stood at 1186 pt WAFR.

As shown in the chart, Bollinger Bands (BB) further contracted 20%, this indicates that the KLCI is in a consolidation stage. Usually the KLCI will continue to consolidate until the BB begins to expand, if the KLCI should remain above the Bollinger Middle Band (BMB), KLCI would have a chance to continue its uptrend again; on the other hand, if KLCI should fall below the BMB when the BB expands, it would mark the end of the KLCI uptrend, and KLCI will be expected to decline further.

As indicated by B, volume traded decline 36.7%, and as a result volume fell below the 40 days Volume

Moving Average (VMA) again, this is the sign that investors are still being cautious, while waiting for some fresh leads.

As circled at C, the MACD Histogram continue to decline, this is a sign suggesting that KLCI is still in consolidation mode. If the rate of decline should reduce, it implies that KLCI consolidation may be ending soon; if the Histogram should move up, it would form a Rounding Bottom, which is a confirmation of KLCI short term up trend.

Without the confidence of the market being fully restored, the KLCI is still in consolidation mode; fortunately, the KLCI is still supported by the BMB, which mean when BB begins to widen, KLCI will turn into an uptrend. Therefore, BMB is a very important Dynamic Support at the moment, and if the KLCI should fall below the BMB, KLCI is less likely to rally.

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