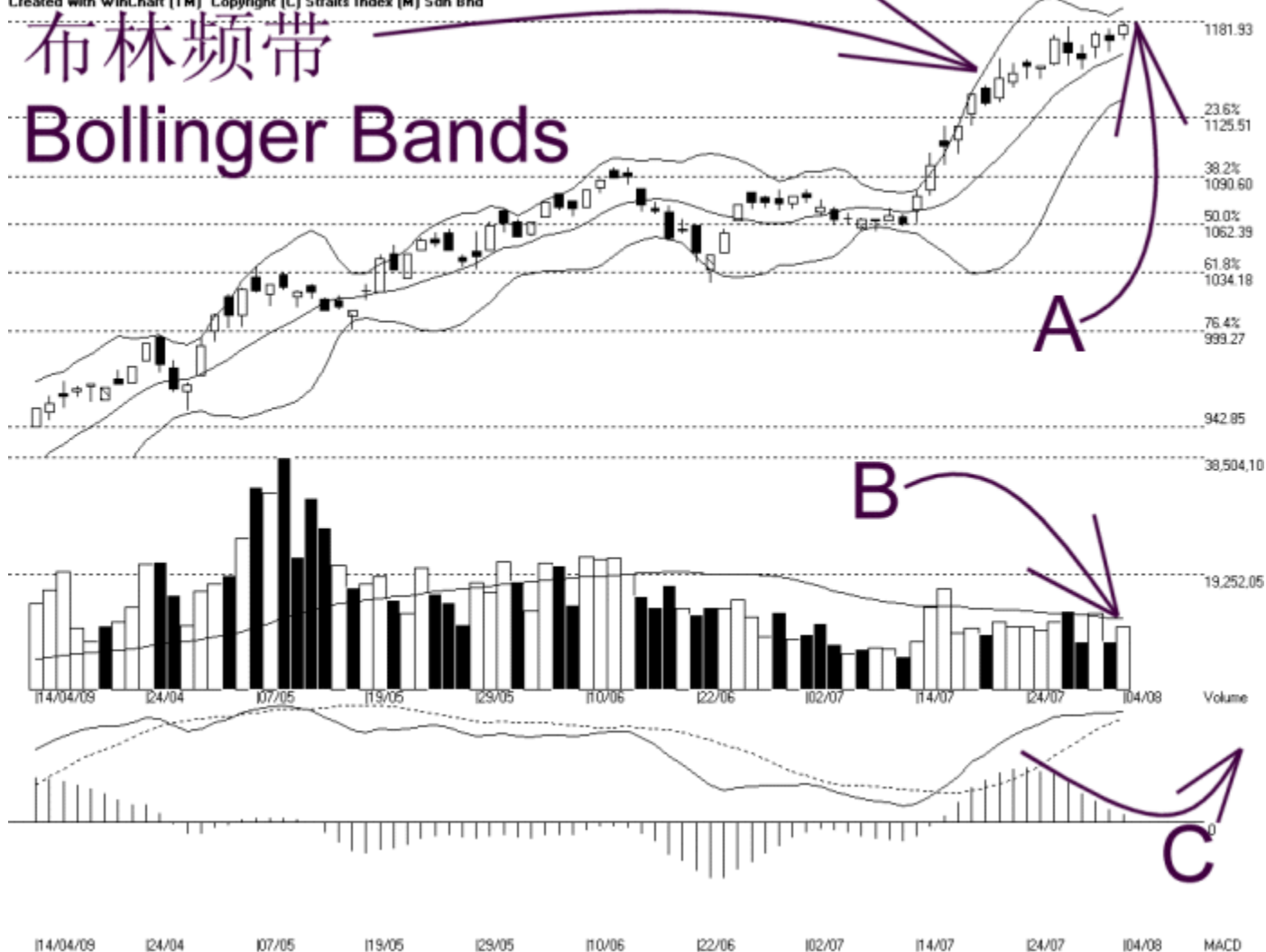


Open:1174.720 High:1181.930 Low:1171.310 Close:1179.880 +8.570(0.7%) Volume:10,477,543 (+2525592.31.8%)
 COMPOSITE INDEX [COMPOSITE] 14/04/2009 - 04/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) 2% - MACD(12,26,9) Daily (Fibo)
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 04/08/2009, by Straits Index (M) Sdn Bhd

As Bollinger Bands begins widening, KLCI made a 14 months new high closing 8.57 pt higher, the KLCI resistance remains at 1186 pt WinChart Automatic Fibonacci Retracement (WAFR), while the 1163 pt continue as the KLCI support level.

As shown in the chart, the BB only widen 2%, therefore, the KLCI only closed slightly higher, this is the result of the lack of investors confidence. However, should the BB continue to widen, KLCI would have chance to rally, until the BB begins to contract again.

As indicated by B, volume traded increased 31.8%, but it is still unable to reach the level of 40 days Volume Moving Average (VMA), as a result, it failed to give the KLCI the sufficient push needed. Normally, volume has to be at the 40 days average volume, if not more, for the KLCI to continuously moving higher.

The rate of MACD Histogram decline continue to reduced, this could be the sign that KLCI correction would end soon; should the Histogram form the Rounding Bottom as indicated by arrow C, the KLCI could begin a short term uptrend.

Since the KLCI has been supported by Bollinger Middle Band (Bollinger Middle Band); therefore, when the BB begins to expand, the KLCI would begin rising. However, without the support from high volume, the KLCI upside is still limited, in other words, should volume begin to increase and together with BB further widening, the KLCI is expected to be on a rally.

© 2009 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998