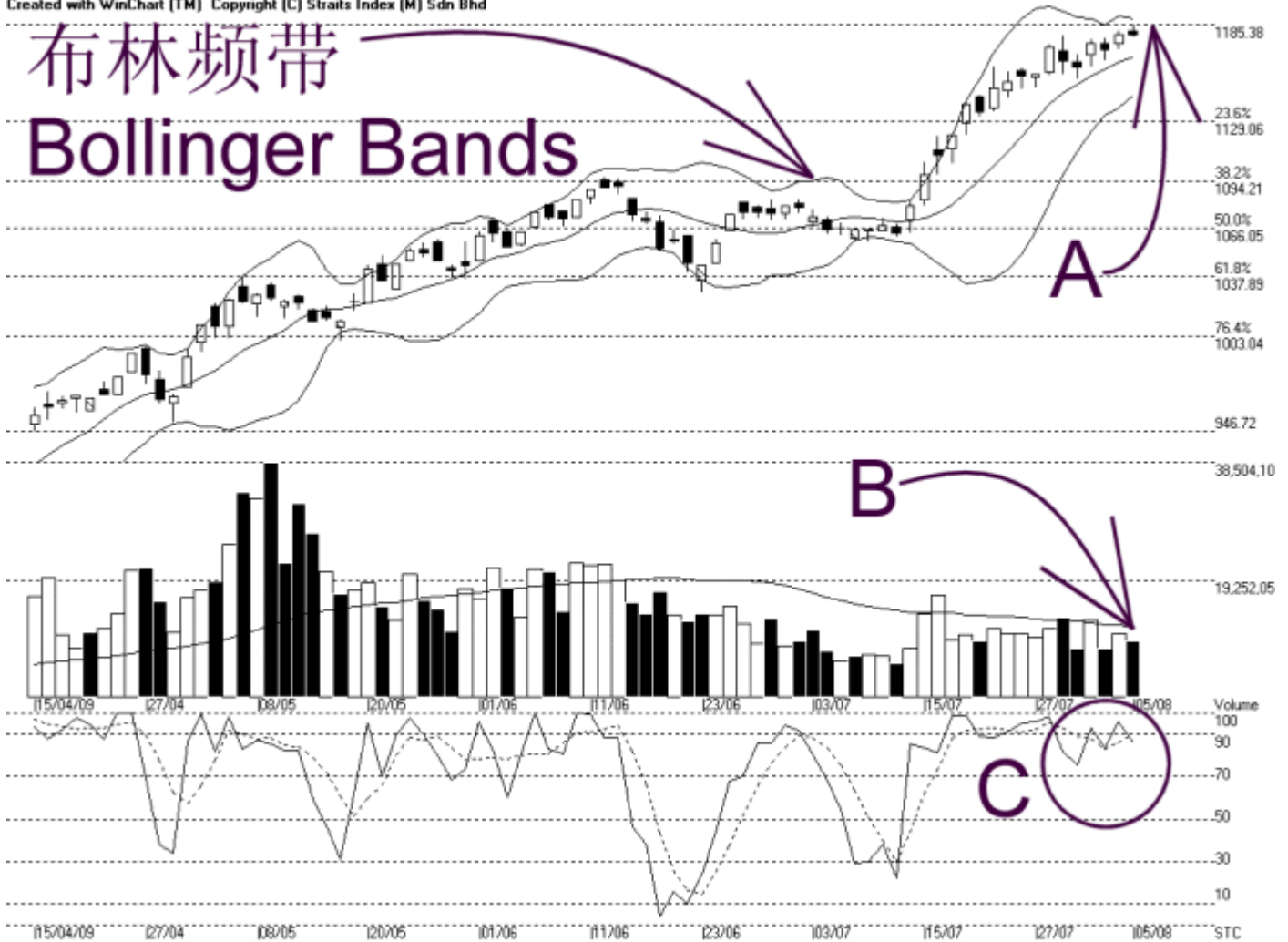


Open:1181.890 High:1185.380 Low:1178.160 Close:1179.490 -0.390(0.0%) Volume:9,239,997 (-1237546,-11.8%)
 COMPOSITE INDEX [COMPOSITE] 15/04/2009 - 05/08/2009 Ticks=80 { Indices } Bollinger Band(10,2) -17% - STC(9,3) %K=86.12, %D=89.79 (-3.67) Daily (Fibo)
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Composite Index Daily Technical Analysis, 05/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands Width contracted 17%, and the FBM KLCI failed to continue yesterday's rally. Generally, the Bollinger Bands Width has to expand clearly with the KLCI above the Bollinger Middle Band to confirm the beginning of a new movement.

As indicated by B, total market volume declined 11%, with volume below the 40-day VMA level. This shows that the current market participation is still insufficient, and therefore, the KLCI failed to regain its strength. Volume is one of the major criteria to support any rally, and in short, in order to have a healthy uptrend, volume has to be above the 40-day VMA level.

As circled at C, the Stochastic is still above 70% level, this shows that the market movement for the short term is still bullish biased, despite the KLCI is consolidating, provided that the Stochastic should remain

above 70% level.

In conclusion, the contraction of the Bollinger Bands Width suggests that the KLCI is gearing up for a new movement until Bollinger Bands Width should expand clearly, then, we shall determine the direction of the new movement by the position of the KLCI above or below the Bollinger Middle Band. If the KLCI should stay above the Bollinger Middle Band when the Bollinger Bands Width re-expands, it would be a bullish biased signal, other wise, a bearish biased signal.

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