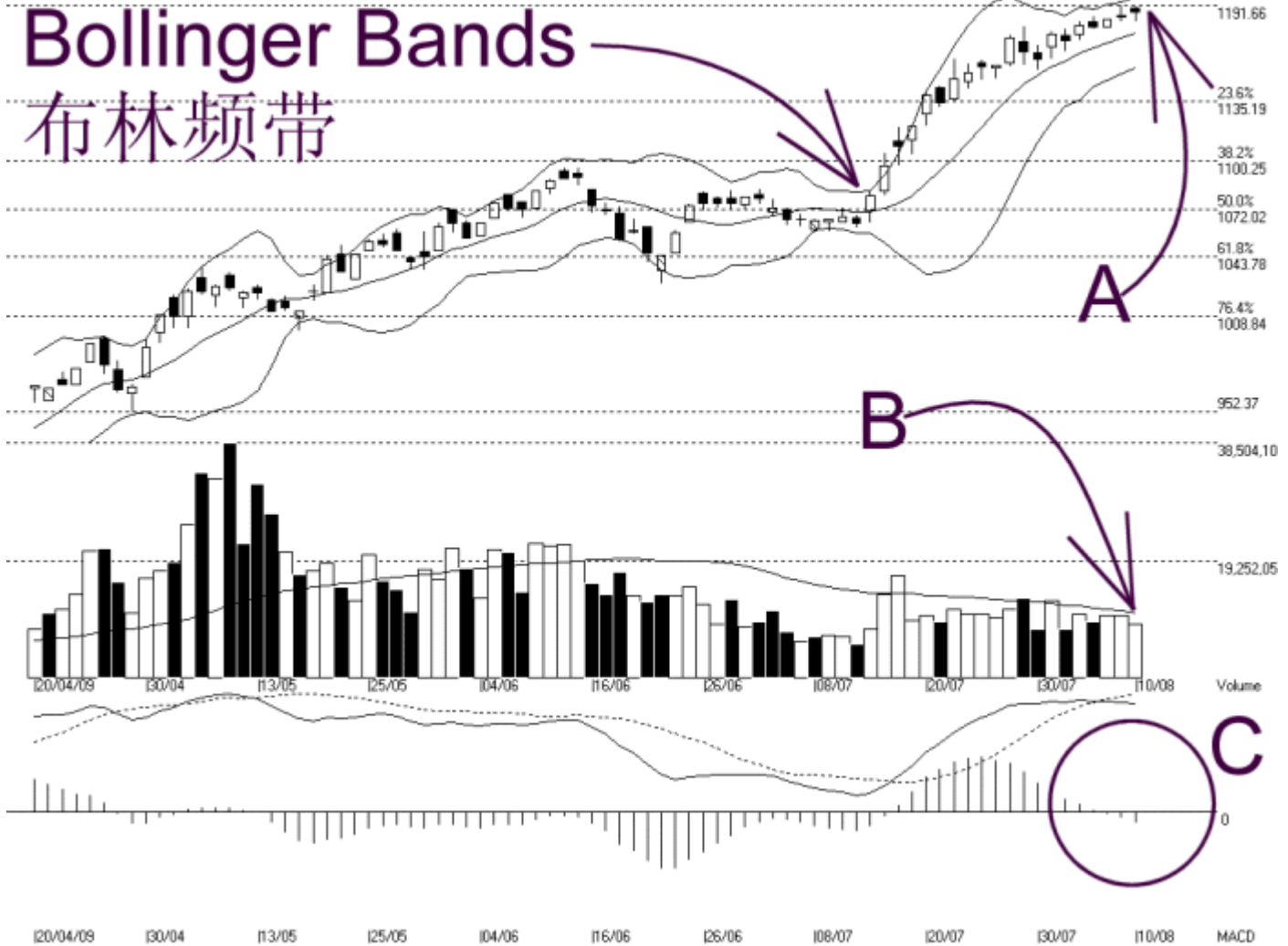


Open:1190.520 High:1191.000 Low:1182.450 Close:1188.000 +3.120(0.3%) Volume:8,704,429 (-1437500,-14.2%)
 COMPOSITE INDEX [COMPOSITE] 20/04/2009 - 10/08/2009 Ticks=80 { Indices } Bollinger Band(10,2) -2% - MACD(12,26,9) Daily (Fibo)
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



Composite Index Daily Technical Analysis, 10/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, KLCI closed 3.12 higher, this had helped the KLCI to closed above the 1186 pt WinChart Automatic Fibonacci Retracement (WAFR) again. 1186 pt WAFR is an important resistance, therefore, with the KLCI remains above the 1186 pt, this indicates that the KLCI would have a chance to regain some strength, technically, should the KLCI continue to stay above 1186 pt, the KLCI would have chance to test the 1200 pt psychological resistance.

Bollinger Bands contracted 2%, this shows that the Bollinger Bands is still in a contracting mode, and as a result, the KLCI continued its consolidation. The narrowed Bollinger Bands also indicates the KLCI is preparing for a new trend; when Bollinger Bands is widening, the KLCI new trend would be determined by the relative position of KLCI and Bollinger Middle Band.

As indicated by B, though 40 days Volume Moving Average (VMA) is still declining, volume traded is still unable to reach 40 days VMA, this shows the overall market is still relatively quiet, as investors are still mostly side lined. In fact, investors are still waiting for new indications and some fresh leads, and therefore, the KLCI to remain in the consolidation stage.

As circled by C, the MACD Histogram broke into the negative territory, this indicates that the KLCI is yet to have any confirmed sign of up trend. Usually, the Histogram has to start rising, and form a Rounding Bottom, then only is the confirmation signal of the KLCI short term uptrend.

KLCI tested the 1186 pt WAFR today and finally stood above this level; however, the KLCI would have to maintain above the 1186 pt to confirm the break out signal. On the other hand, the narrowed Bollinger Bands indicates that the KLCI is still in consolidation stage; therefore, it is still unclear about the KLCI upcoming trend. Normally, the new trend shall be detected and confirmed when Bollinger Bands re-expands.

© 2009 Straits Index (M) Sdn Bhd

www.straitsindex.com

WinChart – Designed by investor for investors, since 1998