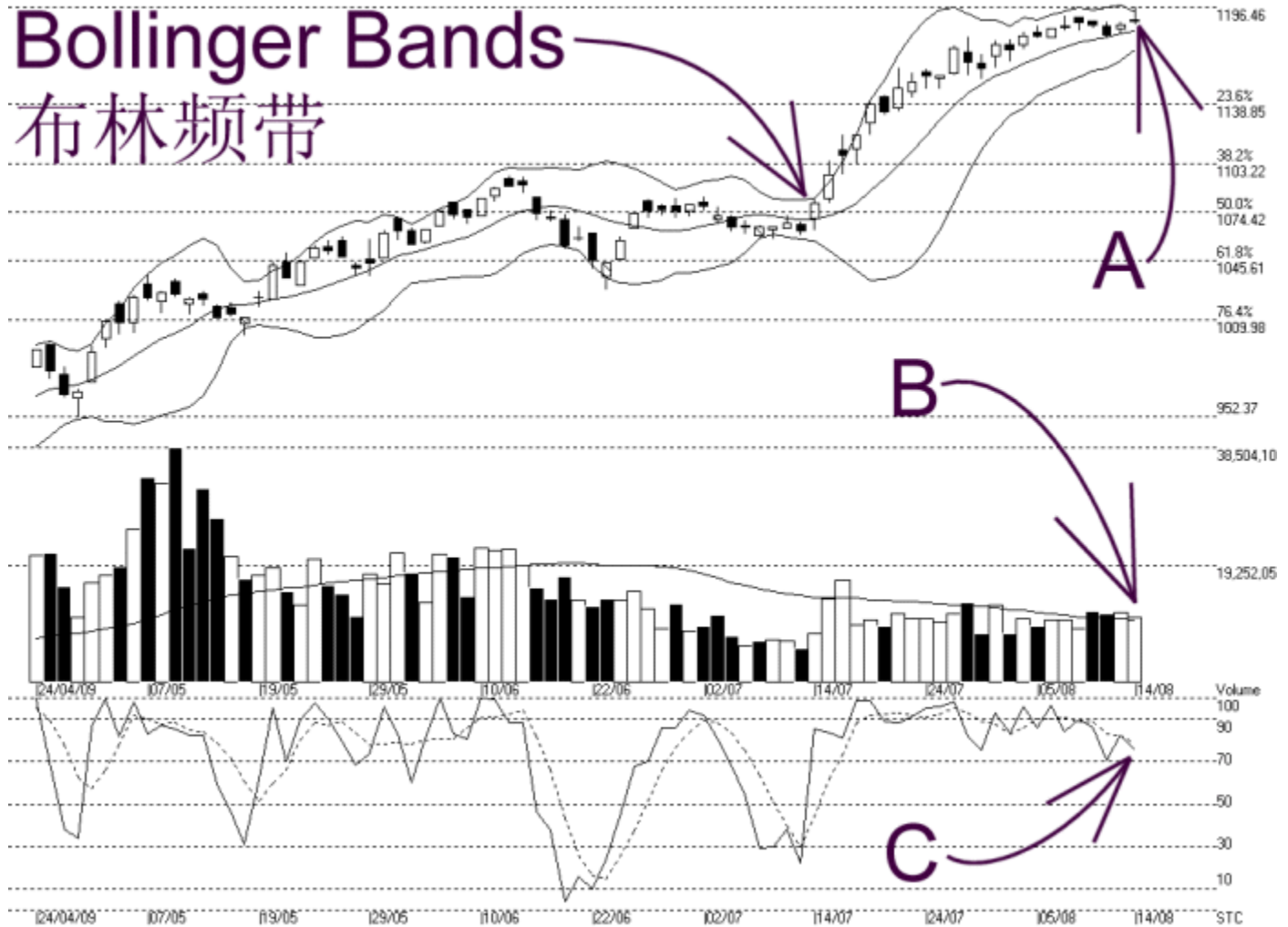


Open:1189.100 High:1196.460 Low:1186.190 Close:1188.570 +2.380(0.2%) Volume:10,509,558 (-876526,-7.7%)
 COMPOSITE INDEX [COMPOSITE] 24/04/2009 - 14/08/2009 Ticks=80 { Indices } Bollinger Band(10,2) -33% - STC(9,3) %K=75.42, %D=78.49 (-3.07) Daily (Fibo)
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FBM Composite Index Daily Technical Analysis, 14/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI is supported today by the 1186 pt WinChart Automatic Fibonacci Retracement (WAFR), and the KLCI rebounded up to 1196.46 pt; however, closing at 1188.57 pt, gaining only 2.38 points, this indicates that the 1186 pt WAFR remains as the KLCI support level, while 1200 continue to be the psychological resistance.

The Bollinger Bands contracted another 33%, causing the Bollinger Bands to form a very tight band, this indicates that the KLCI has reached a breaking point of breaking away from the consolidation, in other words, should the Bollinger Bands expands in the near future, the KLCI consolidation will end and the KLCI shall begin an all new trend.

As indicated by B, volume trade was 7.7% lower; fortunately, its still able to hold on the level of 40 days

Volume Moving Average (VMA), this means trading activities are still adequate, and this would be a positive element which could help the KLCI in moving higher.

As indicated by C, the Stochastic slipped a little, but it is still able to close above 70%; therefore, the KLCI short term outlook is still positive biased, in other words, if the Stochastic should fall below 70%, the KLCI short term trend would be weakening.

Without any fresh lead, the KLCI continue to consolidate, this is shown in the very narrow Bollinger Bands, and that is why the KLCI is showing no clear sign of the next trend. On the other hand, the narrow Bollinger Bands also causing secondary indicators to over react, this is the result of long consolidation stage of the KLCI. Generally, a new trend of the KLCI is due to embark, and the Bollinger Bands will be the perfect indicator to detect the new trend when its begins to expand; further more, a very narrowed Bollinger Bands suggests that the timing of new trend could be just around the corner.

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