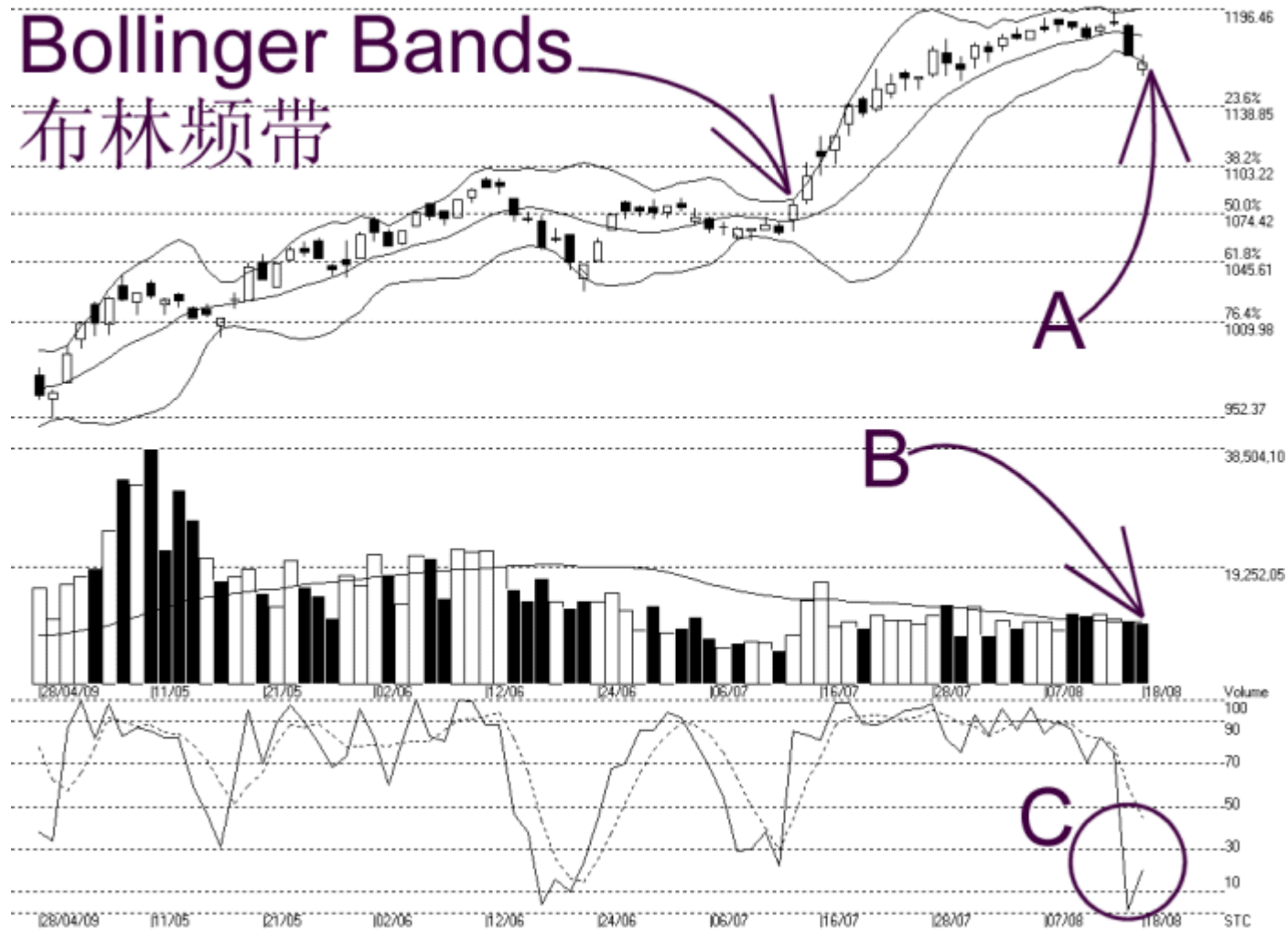


Open:1160.840 High:1169.050 Low:1156.190 Close:1164.410 -4.640(-0.4%) Volume:10,036,712 (-189953,-1.9%)
COMPOSITE INDEX [COMPOSITE] 28/04/2009 - 18/08/2009 Ticks=80 { Indices } Bollinger Band(10,2) 18% - STC(9,3) %K=20.41, %D=44.49 (-24.08) Daily (Fibo) 18
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FBM Composite Index Daily Technical Analysis, 18/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands (BB) continues to expand 19%, therefore, the KLCI declined further, to close 4.64 pt lower at 1164.41 pt. The support level of the KLCI remains at 1163 pt WinChart Automatic Fibonacci Retracement (WAFR), while the resistance is at 1186 pt WAFR.

As shown in the chart above, the KLCI is already below the Bollinger Middle Band, and therefore, the expanding Bollinger Bands suggesting that the bearish biased movement of the KLCI continue; in other words, the KLCI has to break above the Bollinger Middle Band dynamic resistance, in order to stop declining, before reversing to up trend again.

As indicated by B, volume traded was 1.9% lower compared to previous day, it is just barely touching the level of 40 days Volume Moving Average (VMA). This is an early sign of investors turning away from the

market, and this is usually normal when the KLCI is on a down trend.

As indicated by C, the Stochastic rebounded today after touching the zero level; therefore, the KLCI short term had a technical rebound, after being grossly oversold. Nonetheless, the Stochastic needs to break above the 30% mark, then only it has a chance to break away from the short term down trend.

Technically speaking, the KLCI is on a down trend, it means that the KLCI will continue to fall until Bollinger Bands should begin to contract. For the moment, if the KLCI could stay above 1163 pt or the 14, 21, 31 days Exponential Moving Average, the KLCI would consolidate and move sideways, otherwise, the KLCI outlook shall remain weak.

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