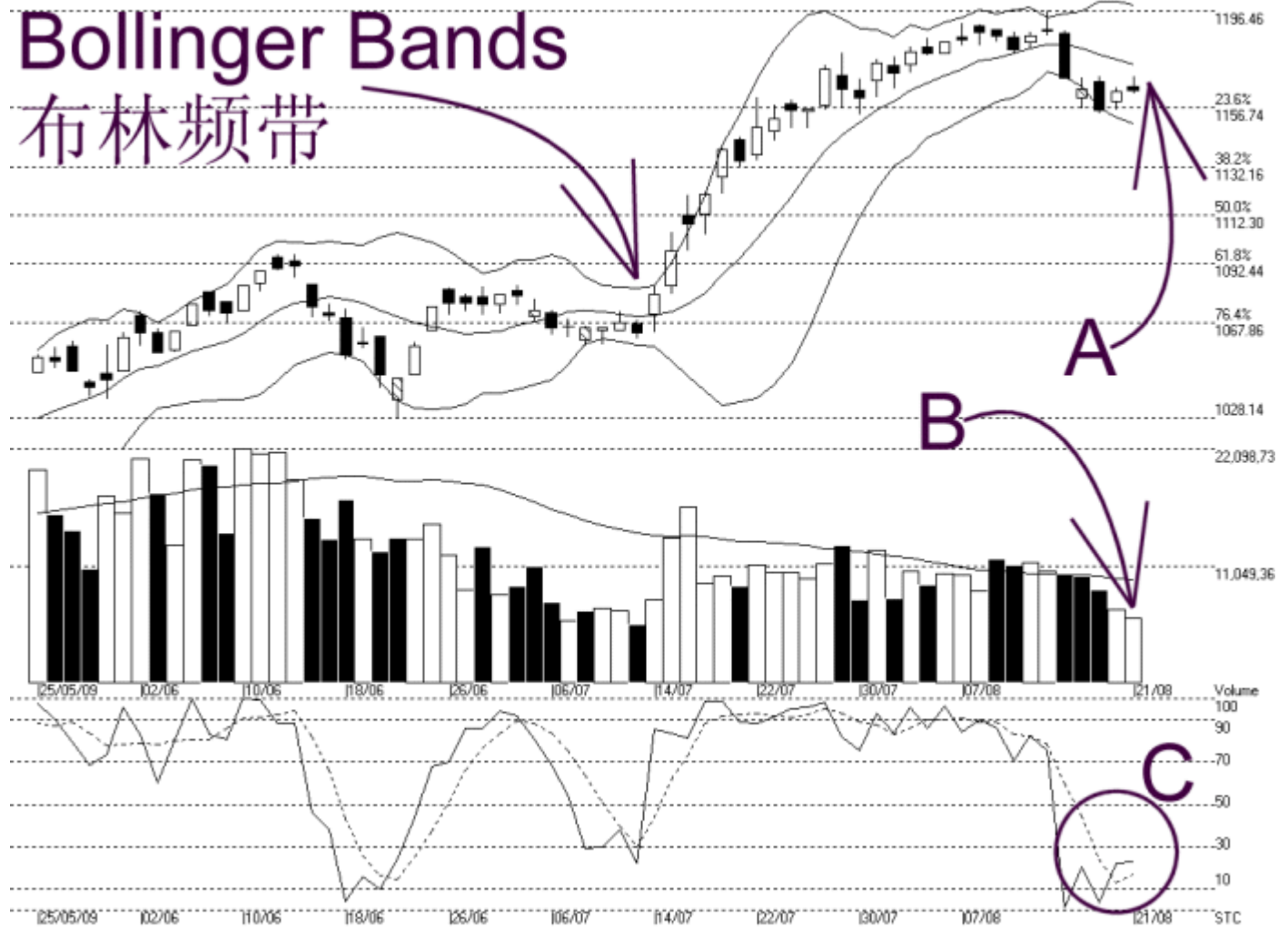


Open:1165.490 High:1169.450 Low:1162.410 Close:1163.790 +0.360(0.0%) Volume:6,041,404 (-805225,-11.8%)  
COMPOSITE INDEX [COMPOSITE] 25/05/2009 - 21/08/2009 Ticks=65 { Indices } Bollinger Band(10,2) 4% - STC(9,3) %K=23.11, %D=17.32 (5.79) Daily (Fibo) 21-8-2  
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### FBM Composite Index Daily Technical Analysis, 21/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the KLCI failed to close higher, however, the KLCI was precisely supported by 1163 pt WinChart Automatic Fibonacci Retracement (WAFR); therefore, the support level of the KLCI fall on 1157 and 1163 pt WAFR, while the resistance remains at 1186 pt WAFR.

As shown in the chart above, the Bollinger Bands expanded only 4% from the previous 9%, this means that the down trend of the KLCI is not getting worse. However, the KLCI is still unable to break above Bollinger Middle Band, and therefore, the KLCI immediate outlook remains weak. On the other hand, the KLCI is currently supported by the 14, 21 and 31 days Exponential Moving Average (EMA), this means that the KLCI is not entirely bearish, and there is still a chance for the KLCI to recover from the current down trend.

As pointed by B, volume traded declined 11.8%; therefore, the volume is way below the 40 days Volume

Moving Average (VMA), this is a classic pattern of the volume during consolidation or correction of the KLCI.

As circled by C, the Stochastic continue to stay below 30%, this indicates that the KLCI remains in a short term down trend, until the Stochastic is able to break above the 30% mark. In other words, the Stochastic has to break above 30% in order for the KLCI to regain its strength.

Technically, the KLCI is in a down or weak trend, as it is below the Bollinger Middle Band. Therefore, in order for the KLCI to avoid further decline, the KLCI has to break above the Bollinger Middle Band soon. From now on, investors could monitor the most sensitive short term indicator, the Stochastic; when the Stochastic should break above 30%, it would be the first indication suggesting the KLCI might be turning positive.

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