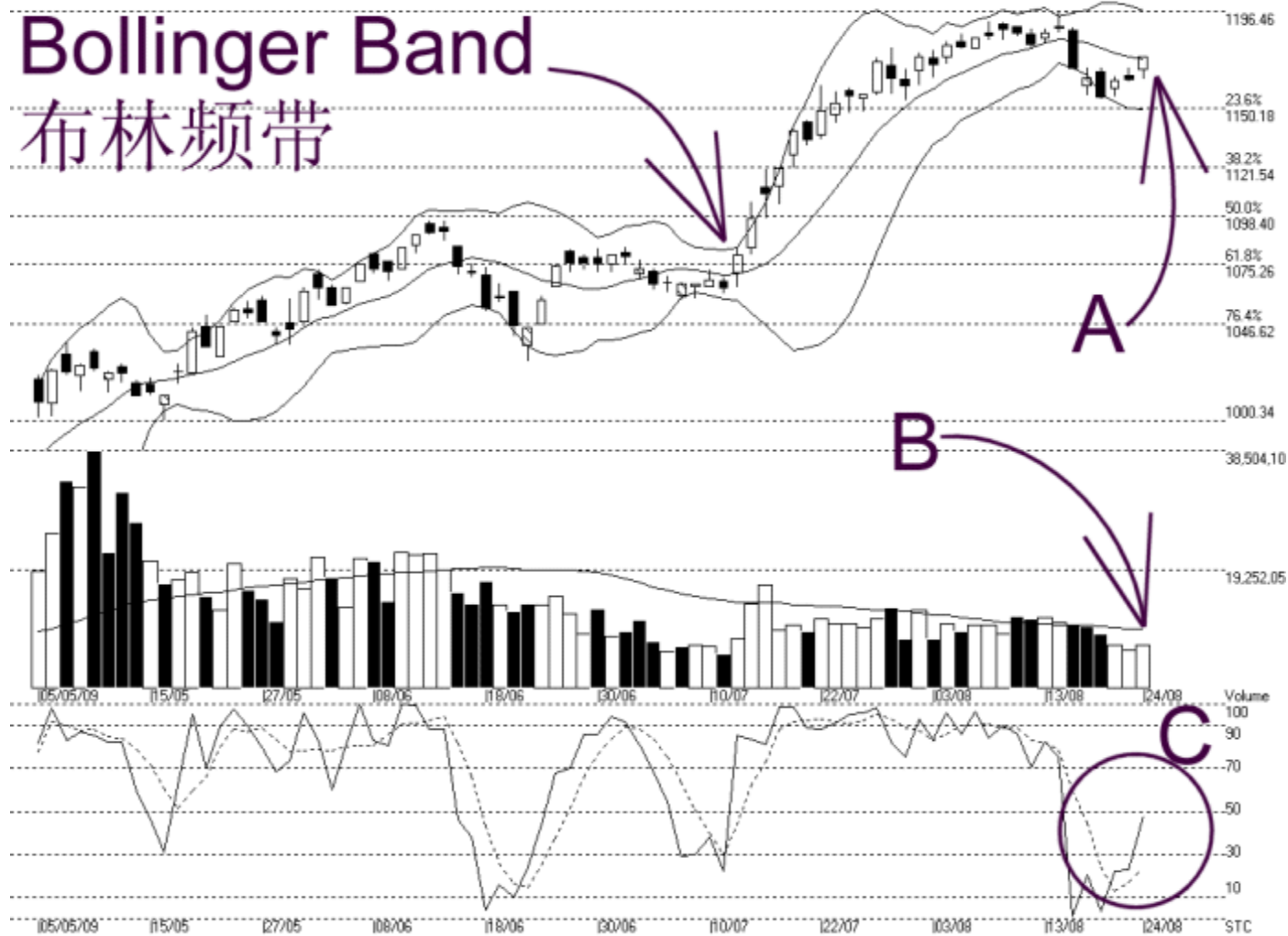


Open:1168.550 High:1174.490 Low:1163.790 Close:1174.490 +10.700(0.9%) Volume:6.951.886 (+910482.15.1%)
COMPOSITE INDEX [COMPOSITE] 05/05/2009 - 24/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) -3% - STC(9,3) %K=48.29, %D=24.34 (23.96) Daily (Fibo) 24-8
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FBM Composite Index Daily Technical Analysis, 24/08/2009, by Straits Index (M) Sdn Bhd

On Monday, the FBM KLCI gained 10.70 points, lead by the strong gain of the Dow Jones Industrial Average Index on last Friday, and the KLCI is now precisely resisted by the Bollinger Middle Band, as indicated by A. Therefore, the Bollinger Middle Band is still the dynamic resistance for the KLCI. If the KLCI should break above the Bollinger Middle Band, it would break away from its short term downtrend.

The Bollinger Bands Width contracted 3%, suggesting that the KLCI is rebounding from its downtrend. If the Bollinger Bands Width should further contract, the KLCI is likely to consolidate. Support for the KLCI is at 1163 WinChart Automatic Fibonacci Retracement while the resist is at 1186 WinChart Automatic Fibonacci Retracement.

As indicated by B, total market volume increased 15.1%, but still below the 40-day VMA level. This shows

that the investors confidence about the market is yet to recover, and as a result, the KLCI gained less on Monday if compared to other regional markets. Generally, volume has to be above the 40-day VMA level in order to sustain any positive movement of the KLCI.

The KLCI technically rebounded as the Stochastic breaks above 30% level, this shows that the KLCI might be able to regain some strength. However, with the Bollinger Bands Width still contracting, the rising of the Stochastic can only be viewed as a technical rebound signal, not a bullish signal.

The contraction of the Bollinger Bands suggesting that the KLCI is likely to consolidate. If the KLCI should break above the Bollinger Middle Band, the immediate outlook for the KLCI shall improve. If the KLCI should stay above the Bollinger Middle Band with the Bollinger Bands Width re-expanding, it would be a signal suggesting the KLCI is regaining its strength. Nevertheless, the KLCI is still testing its dynamic resist of the Bollinger Middle Band, and until a valid break out, the current outlook is still on the 'wait and see' status. On the other hand, with the Dow Jones Industrial Average still trending up, the positive regional markets sentiment is likely to have positive effect on the KLCI performance.

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