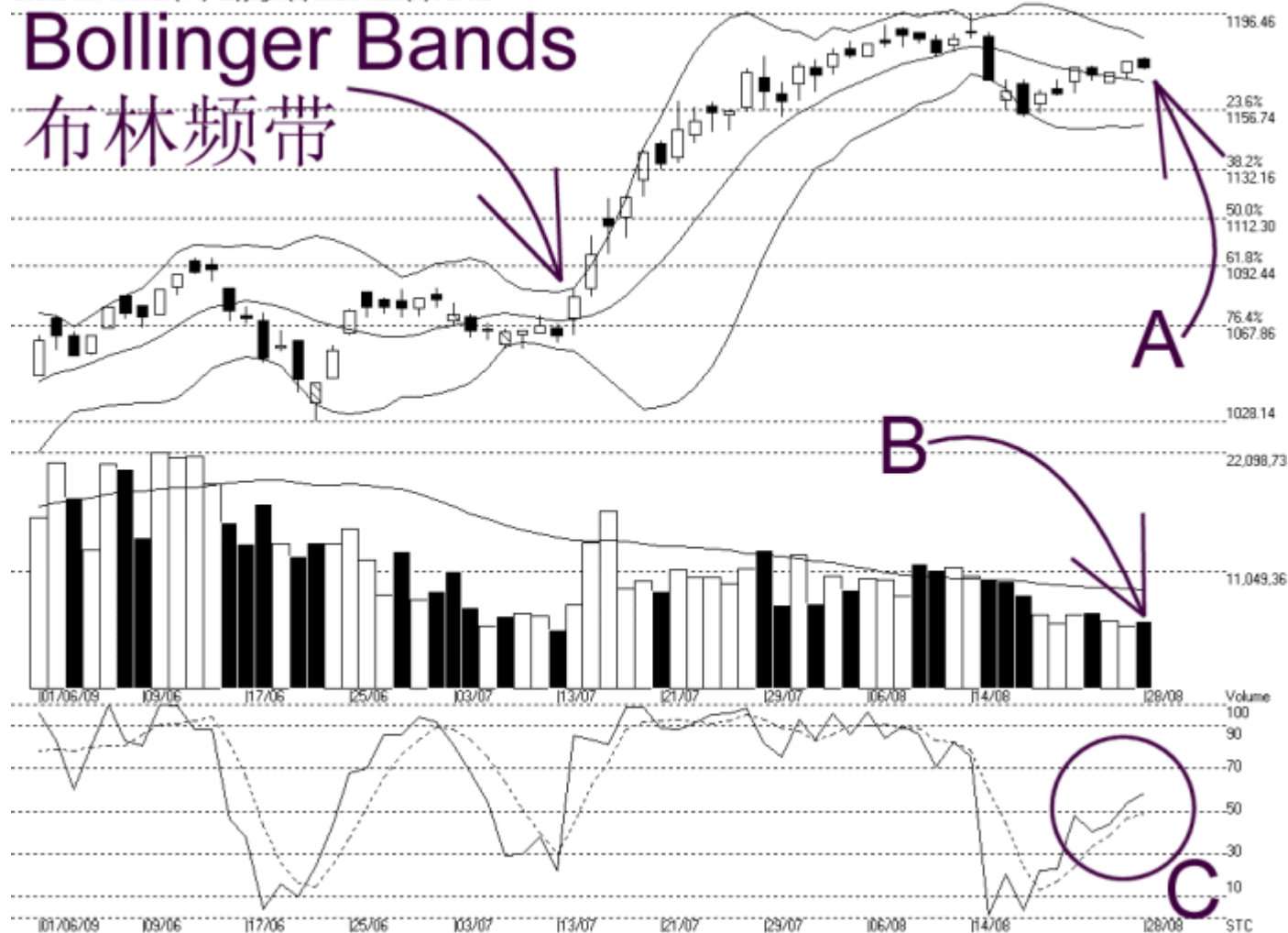


Open:1177.880 High:1178.770 Low:1173.550 Close:1174.270 -2.630(-0.2%) Volume:6,326,817 (+475642.81%)
COMPOSITE INDEX [COMPOSITE] 01/06/2009 - 28/08/2009 Ticks=65 (Indices) Bollinger Band(10,2) -11% -STC(9,3) %K=58.67, %D=48.71 (9.96) Daily (Fibo) 28-8
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FBM Composite Index Daily Technical Analysis, 28/08/2009, by Straits Index (M) Sdn Bhd

As shown in the chart above, the Bollinger Bands contracted 11%; therefore, the KLCI end 2.63 pt lower to close at 1174.27 pt. Anyway, the KLCI is still supported by the Bollinger Middle Band and the 14, 21, 31 days Exponential Moving Average (EMA) (refer to A), hence, the KLCI has no sign of turning weak, while remains at its sideways consolidation.

Though the KLCI break above the Bollinger Middle Band, the Bollinger Bands is still narrowing; therefore, until the Bollinger Bands begins to expand, the KLCI is not able to start a new up trend. The KLCI support level falls at 1163 pt WinChart Automatic Fibonacci Retracement (WAFR), while the resistance remains at 1186 pt WAFR.

As indicated by B, volume traded upped 8.1%, but it is still lower than the 40 days Volume Moving Average

(VMA), this suggests that the overall market remains quiet, and this is also a normal situation during a sideways KLCI.

The Stochastic is gradually moving higher (As circled by C), suggesting the KLCI is picking up some strength; however, this signal is insignificant when the Bollinger Bands is narrowed; this is because all Secondary Indicators are not meant to work alone, and it must be combined with the Primary Indicators like Chart Patterns, Bollinger Bands, EMA etc.

Basically, the KLCI has not changed much for the whole week, and it is still consolidating. Technically, when the Bollinger Bands is narrowing, it indicates that the KLCI is preparing for a new trend, but the new will only be confirmed when the Bollinger Bands begins to expand. Therefore, should the KLCI maintaining above the Bollinger Middle Band, there is a chance of the KLCI in forming an up trend.

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