

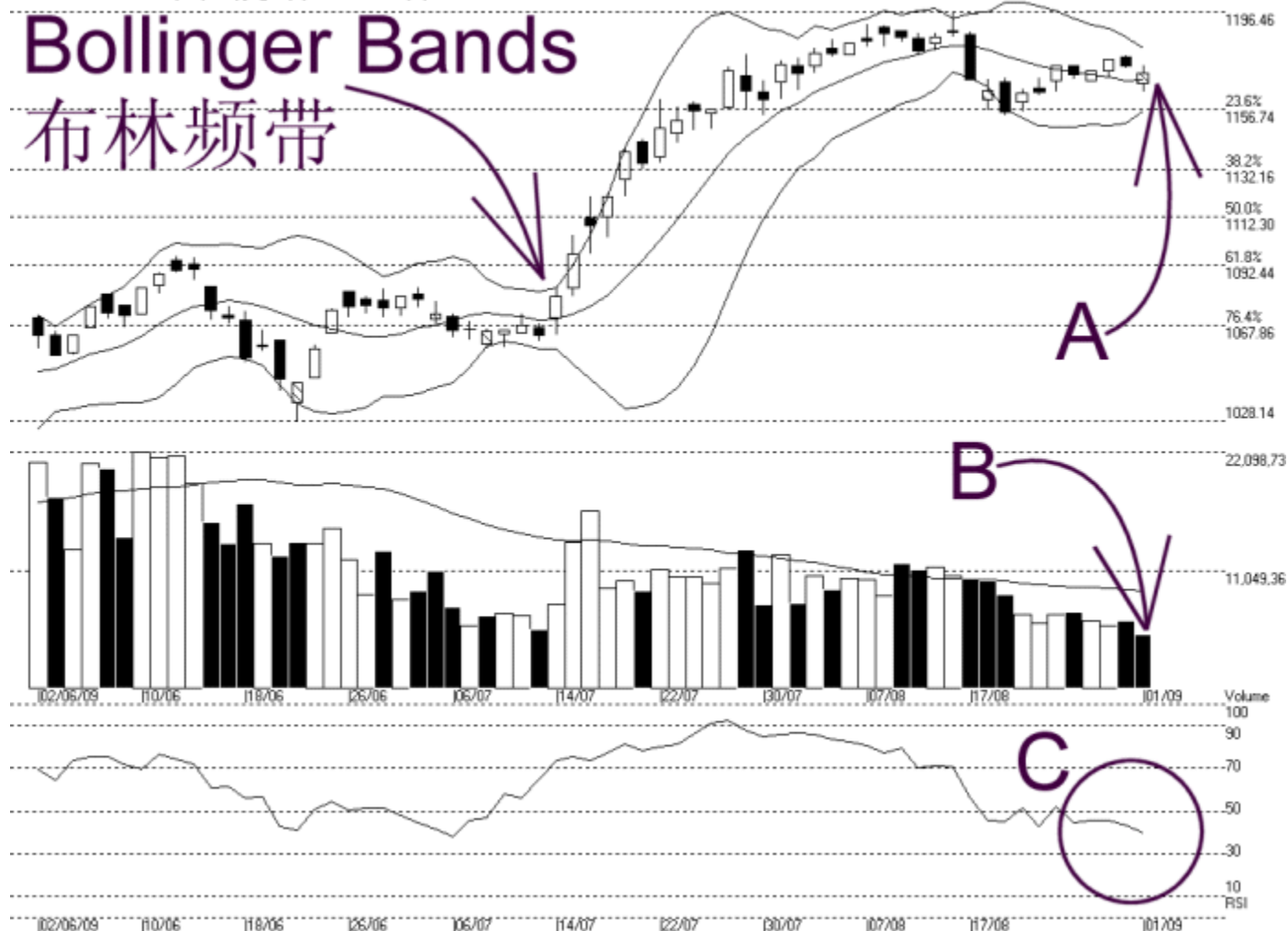


Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:1167.470 High:1174.270 Low:1163.780 Close:1171.280 -2.99(-0.3%) Volume:4,985,259 (-1341558,-21.2%)
 COMPOSITE INDEX [COMPOSITE] 02/06/2009 - 01/09/2009 Ticks=65 (Indices) Bollinger Band(10,2) -29% -RSI(14) = 39.84 Daily (Fibo) 01-9-2009 15:34:47
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FBM Composite Index Daily Technical Analysis, 01/09/2009, by Straits Index (M) Sdn Bhd

The Bollinger Bands contracted another 29%, indicating that the KLCI is still in a correction and consolidation stage (Refer to A), and therefore, the KLCI lost another 2.99 pt, to close at 1171.28 pt. The KLCI support level fall at 1163 pt WinChart Automatic Fibonacci Retracement (WAFR), while the resistance remains at 1186 pt.

As shown in the chart above, the KLCI was precisely support at Bollinger Middle Band, and therefore, the Bollinger Middle Band remains as the Dynamic Support Line for the KLCI. Actually, it is very important that the KLCI is supported by the Bollinger Middle Band; this is because if the Bollinger Band was to expand subsequently, with the KLCI below the Bollinger Middle Band, KLCI will form a downtrend.

As indicated by B, volume traded declined 21.2%, and continue to trade below the 40 days Volume Moving

Average (VMA), this is due to the KLCI remain in consolidation; in other words, should the KLCI continue to consolidate, the volume traded will continue to stay below the 40 days VMA.

The WinChart Relative Strength Indicator keep losing strength below the 50%; therefore, the mid term trend of the KLCI remain weak; should the WinChart RSI break below 30%, the KLCI will be on a mid term down trend, and the mid term downtrend is expected to continue until the WinChart RSI is able to rebound and break above 30%.

Technically, the narrowing Bollinger Bands confirmed that the KLCI remains in consolidation, and no formation of new trend is sighted yet. The KLCI is due to start a new trend when the Bollinger Bands stopped narrowing and started to expand, and the new trend will be determined by the relative position of the KLCI against the Bollinger Middle Band.

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