

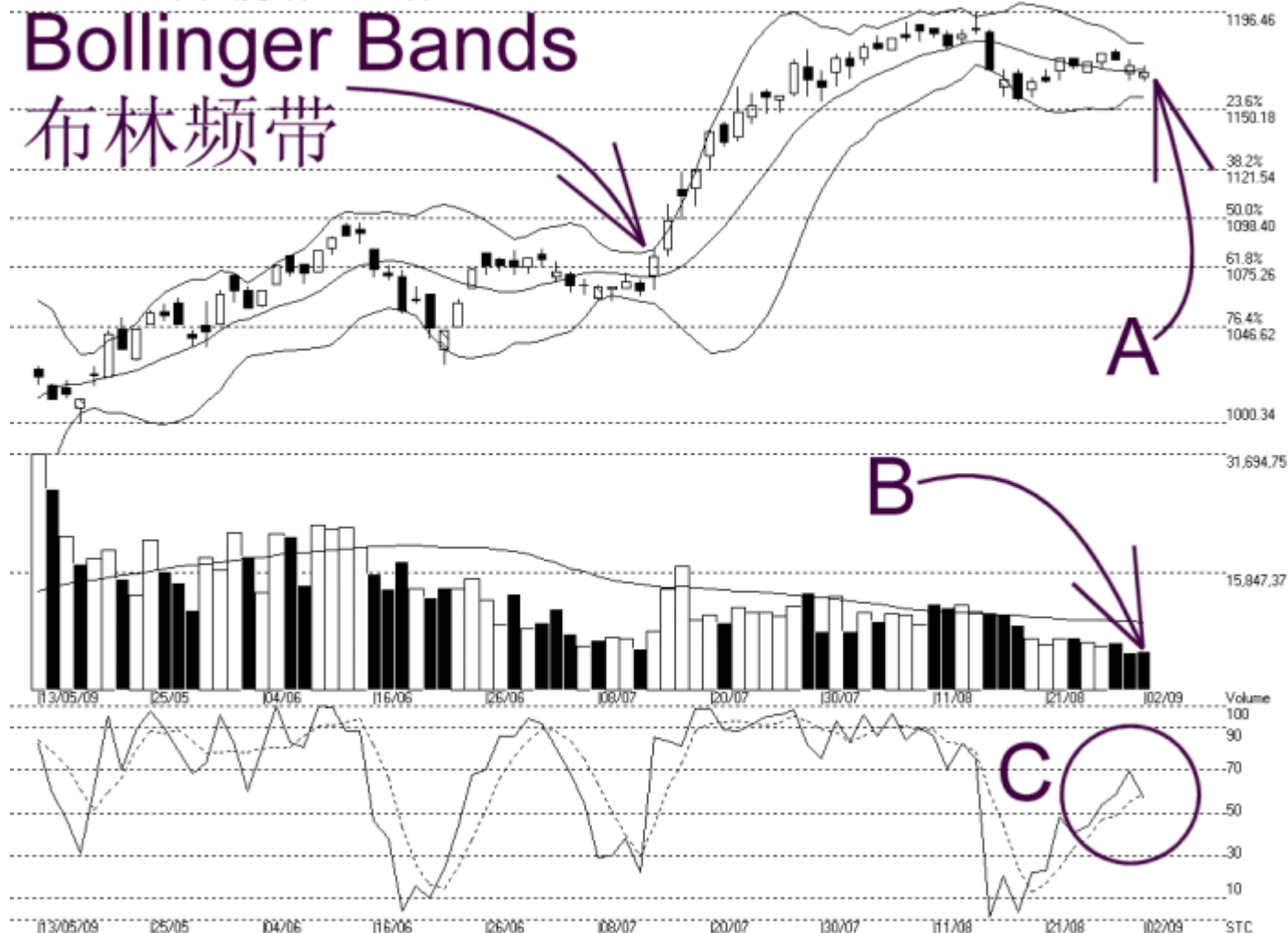


Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1165.620 High:1171.280 Low:1163.570 Close:1168.010 -3.270(-0.3%) Volume:5,192,862 (+207603.4.2%)
COMPOSITE INDEX [COMPOSITE] 13/05/2009 - 02/09/2009 Ticks=80 (Indices) Bollinger Band(10,2) 0% - STC(9,3) %K=56.61, %D=58.87 (-2.26) Daily (Fibo) 02-9:
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FBM Composite Index Daily Technical Analysis, 02/09/2009, by Straits Index (M) Sdn Bhd

Despite the overnight sharp fall of the Dow, causing the regional bourses to close significant lower, the KLCI loss only a marginal 3.27 pt, to close at 1168.01 pt (Refer to A). The current support of the KLCI remains at 1163 WinChart Automatic Fibonacci Retracement (WAFR), while the resistance at 1186 pt is unchanged.

As shown in the chart above, the KLCI closed slightly below the Bollinger Middle Band; therefore, the KLCI is losing its Dynamic Support Line; in other words, if the KLCI is unable to break above the Bollinger Middle Band, the KLCI will form a downtrend when the Bollinger Bands started to expand.

As indicated by arrow B, the volume traded slightly rebounded, but it is still way below the 40 days Volume Moving Average (VMA), this is mainly due to the KLCI prolonged consolidation. Technically, volume

traded below 40 days average also means that overall the KLCI is weak.

As circled at C, the Stochastic failed to break above the 70%; therefore, the KLCI short term trend failed to turn into an uptrend. Normally, the Stochastic has to break above the 70%, in order for the KLCI to form an up trend.

Basically, the KLCI continue to consolidate, but with the KLCI breaking below the Bollinger Middle Band as the Bolling Bands stopped narrowing, this is an early sign suggesting that the consolidation might come to an end, and the KLCI below the Bollinger Middle Band is a hint that the immediate outlook for the KLCI is on the weaker side. In other words, should the Bollinger Bands started to expand, with the KLCI below the Bollinger Middle Band, the KLCI would, potentially, form a new downtrend.

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