



**STRAITS
index**

Straits Index (M) Sdn Bhd
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Open: 6928.450 High: 6944.840 Low: 6837.940 Close: 6887.320 -39.010(-0.6%) Volume:
FBM2BRD [FBM2BRD] 17/09/2007 - 14/01/2008 Ticks=80 (Indices) Moving Averages e[14,21,31] - STC[9,3] %K=69.78, %D=86.42 [-16.64] Daily (Fibo)
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FBM 2nd Board Index Daily Technical Analysis 14/01/2008

As mentioned in our previous analysis, the FBM2nd Board Index pulled back as a form technical correction after hitting above the 20-day Bollinger Upper Band. On Monday, the FBM2nd Board Index retreated another 39.01 points. Therefore, the FBM2nd Board Index is now having its technical correction. However, as indicated by A, the 14, 21, 31 EMA is now serving as the dynamic support. If the FBM2nd Board Index should rebound from the dynamic support, the bullish movement shall resume.

As circled at B, the Stochastic %K line falls below the 90% level, which is the sign of the short term technical correction. However, if the Stochastic should remain above the 70% level after this technical correction, the market movement for the short term shall remain bullish biased.

As indicated by C, the MACD histogram started falling and formed a rounding top. Therefore, the MACD histogram suggests a short term movement of the FBM2nd Board Index is weakening.