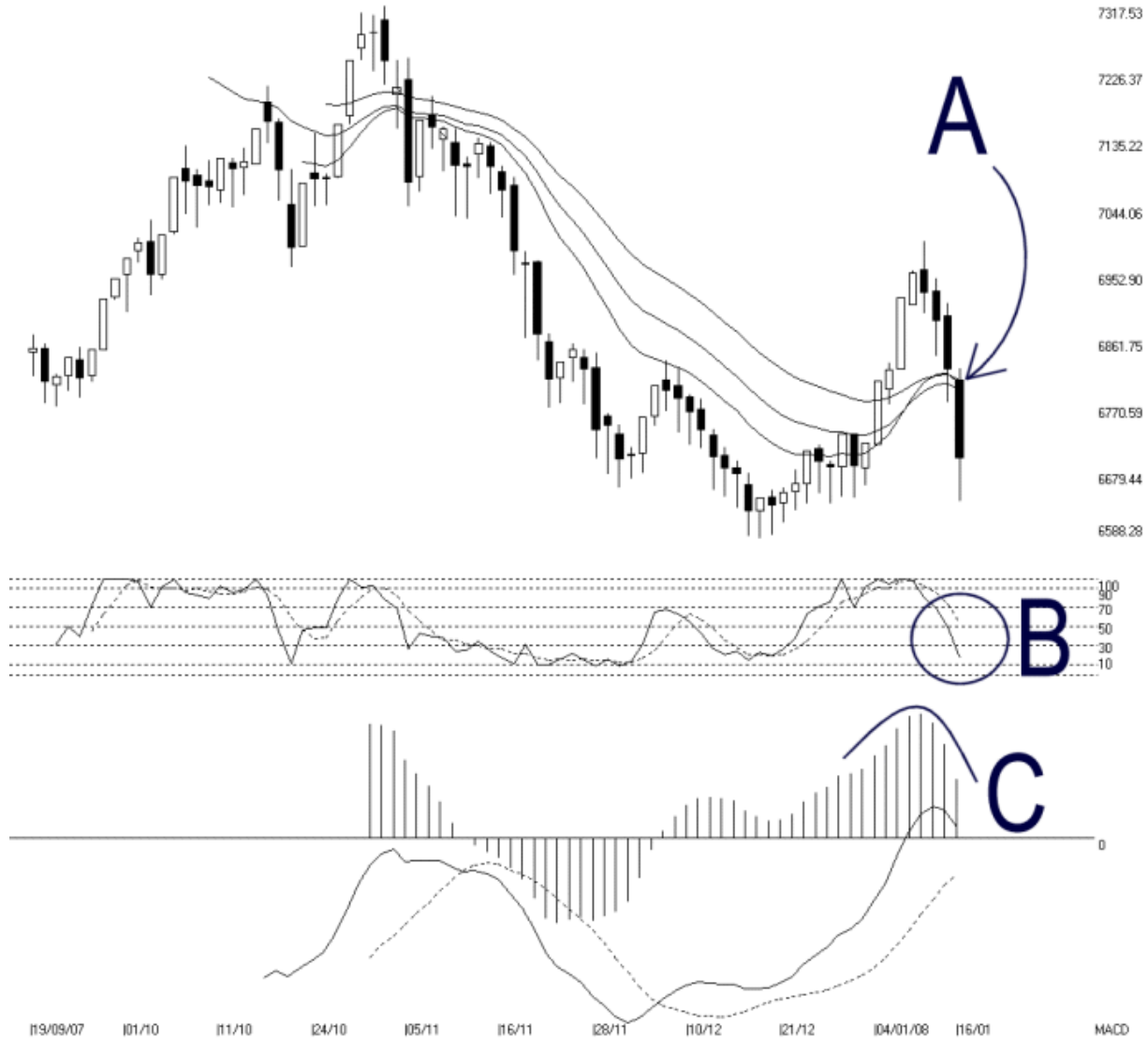




Straits Index (M) Sdn Bhd
WinChart Technical Analysis Provider
Tel : (03) 8941 6828 Fax : (03) 8941 9828
Email: info@straitindex.com



Open:6806.670 High:6821.270 Low:6639.880 Close:6700.240 -121.030(-1.8%) Volume:
FBM2BRD [FBM2BRD] 19/09/2007 - 16/01/2008 Ticks=80 (Indices) Moving Averages e[14,21,31] - STC[9,3] %K=16.96, %D=54.52 [-37.56] Daily
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FBM 2nd Board Index Daily Technical Analysis 16/01/2008

Due to external factors, the FBM2nd Board Index ended sharply lower on Wednesday, closing 121.03 lower to 6700.24 points. As indicated by A, the FBM2nd Board Index falls below the 14, 21, 31 EMA dynamic support. The FBM2nd Board Index must return to above the 14, 21, 31 EMA in the very short term or else chances for the recovery of its upward movement would be low. On the other hand, if the FBM2nd Board Index should remain below the 14, 21, 31 EMA, the EMA would reverse its role to become the dynamic resistance for the FBM2nd Board Index,

and the outlook for the FBM2nd Board Index would likely be bearish biased. Nevertheless, support for the FBM2nd Board Index is now at 6588.28 level.

As circled by B, the Stochastic %K breaks below the 30% level on Wednesday, and therefore, triggered an unconfirmed short term bearish signal. If the Stochastic %D line should break below the 30% level, it would confirm the %K line signal and the market movement for the short term would be bearish biased.

As indicated by C, the MACD histogram continue falling on Wednesday. Like what we have been mentioning, the falling of the MACD histogram suggests a weakening of the FBM2nd Board Index. Therefore, if the MACD histogram should continue falling, the FBM2nd Board Index short term movement is expected to be weak until the MACD histogram ticks up and form a rounding bottom signal.

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