

Open:5202.380 High:5213.450 Low:5159.300 Close:5213.450 +11.460(0.2%) Volume:
 FBM2BRD [FBM2BRD] 03/04/2008 - 20/08/2008 Ticks-97 { Indices } Moving Averages e[14,21,31] 5289.681, 5314.945, 5350.595 - STC(9,3) %K-32.11, %D-30.65 |
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FBM 2nd Board Index Daily Technical Analysis 20/08/2008

The FBM2nd Board Index rebounded 11.46 points on Wednesday, closing 5213.45 points. The FBM2nd Board Index is set to test the 5226 immediate resistance line, and if the FBM2nd Board Index should break above this resistance, the next important resistance would be the 14, 21, 31 EMA dynamic resistance. Since the FBM2nd Board Index rebounded on Wednesday, the 5153 WinChart Automatic Fibonacci Retracement. Nevertheless, with the 14, 21, 31 EMA dynamic resistance remain intact, the outlook for the FBM2nd Board Index is still bearish biased.

As circled at B, the Stochastic %K line rebounded slightly, breaking above the 30% level, and therefore, bringing the Stochastic away from the short term bearish region. If the Stochastic

should continue rising, the technical rebound for the FBM2nd Board Index is likely to continue. If the Stochastic should break above the 70% level, it would be a short term bullish signal for the FBM2nd Board Index.

Despite the minor rebound of the FBM2nd Board Index, the MACD line remains falling. Nevertheless, since the MACD is a trend following indicator, it pays to monitor if the MACD line should break the zero level. If the MACD line should break above the zero level, it would be a signal suggesting that the FBM2nd Board Index is breaking away from the downtrend movement.

Based on the chart reading, the FBM2nd Board Index is still trending down with the 14, 21, 31 EMA being the dynamic resistance. Therefore, the rebound on Wednesday can only be considered as a technical rebound. In short, the FBM2nd Board Index has to break out from the 14, 21, 31 EMA dynamic resistance with a significant increase of market volume.

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