

Open:5007.860 High:5018.090 Low:4938.820 Close:5006.030 +17.160(0.3%) Volume:  
 FBM2BRD (FBM2BRD) 07/04/2008 - 22/09/2008 Ticks=117 (Indices) Moving Averages e(14,21,31) 5051.916, 5094.578, 5145.86 - STC(9,3) %K=50.6, %D=37.8 (12  
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### FBM 2<sup>nd</sup> Board Index Daily Technical Analysis 22/09/2008

On Monday, the FBM2nd Board Index continues its consolidation, closing 17.16 points higher to close at 5006.03 points. Meanwhile, the Bollinger Bands Width is still contracting, suggesting the FBM2nd Board Index is still consolidating.

As indicated by A, the FBM2nd Board Index is testing the 14, 21, 31 EMA dynamic resistance. As shown on the chart, as long as the FBM2nd Board Index is still resisted by the falling dynamic resistance, the bearish biased movement shall continue, thus a downtrend. Therefore, it

is crucial for the FBM2nd Board Index to break out from the dynamic resistance. However, a valid break out should be accompanied with significant increase of market volume.

As circled at B the, Stochastic is still rising slowly after breaking above 30% level. However, it is still below 50% level. Generally, when the Stochastic breaks above 30% level, it is a signal suggesting a beginning of a short term technical rebound. It has to break and stay above 70% level in order to show a short term bullish signal.

As circled at C, the MACD histogram is still rising, and therefore, the rounding bottom is still visible. This suggests that the FBM2nd Board Index is still consolidating, and if the MACD histogram should continue rising, the short term movement of the FBM2nd Board Index could improve more. Nevertheless, with the MACD line staying below the zero-level, the market movement for the mid to longer term is still weak.

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