

Open:4620.430 High:4662.520 Low:4597.100 Close:4647.000 +49.900(1.1%) Volume:
 FBM2BRD [FBM2BRD] 14/04/2008 - 14/10/2008 Ticks=126 (Indices) Moving Averages e[14,21,31] 4832.409, 4896.458, 4966.325 - STC[9,3] %K=27.22, %D=19.68
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FBM 2nd Board Index Daily Technical Analysis 14/10/2008

As indicated by A, the FBM2nd Board Index pull-back after breaking below the 20-days Bollinger Lower Band, closing 49.90 points higher to 4647 points. Therefore, the current support for the FBM2nd Board Index is at 4501.92 WinChart Automatic Fibonacci Retracement while the resistance is still at the 14, 21, 31 EMA dynamic resistance. In other words, the FBM2nd Board Index is still trending down, and the current pullback is just a form of a technical rebound.

As circled at B, the Stochastic is slowly rising, and getting closer to the 30% level. If the Stochastic should break above 30%, it would be a signal suggesting a beginning of a technical rebound. However, it does not mean a short term bullish signal, for if the Stochastic would have to break and remain above 70% level to trigger a short term bullish signal.

As circled at C, the MACD histogram is still falling but at a slower speed. Therefore, there is a sign of a rounding bottom formation. If the MACD histogram should form a rounding bottom, it would be a signal suggesting a consolidation for the FBM2nd Board Index. It is important to know that the FBM2nd Board Index is still trending down, and therefore, all technical rebound signals are usually short term only, unless the FBM2nd Board Index could break above the 14, 21, 31 EMA dynamic resistance.

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