



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



Open: 4216.880 High: 4228.380 Low: 4138.840 Close: 4163.120 -65.260(-1.5%) Volume:
FBM-MDQ [FBMACE] 11/03/2009 - 12/08/2009 Ticks=110 (Indices) Bollinger Band[10,2] -1% - STC[9,3] 2K=40.09, 2D=61.96 (-21.87) Daily (Fibo) 12-8-2009 17:0
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FBMACE Index Technical Analysis, 12/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the FBMACE failed to stay above the Bollinger Middle Band, losing 65.26 points or 1.5%, but fortunately, the Bollinger Bands Width has not expanded, thus the FBMACE is still consolidating with some negative biased. Resistance for the FBMACE remains at 4398 WinChart Automatic Fibonacci Retracement while the support is still at 4031 WinChart Automatic Fibonacci Retracement.

As shown on the chart above, the Bollinger Bands Width contracted only 1%, this implies that the Bollinger Bands Width is about to expand soon. If the FBMACE should stay below the Bollinger Middle Band when the Bollinger Bands re-expands, there is a risk of forming a downtrend for the FBMACE.

As circled at B, the Stochastic failed to sustain above 70% level, breaking below the 50% level on Wednesday. This shows that the FBMAE does not resume to the short term uptrend while still consolidating with some weakness. If the Stochastic should later break below 30% level, it would be a signal suggesting a short term bearish movement for the FBMAE.

As circled at C, the MACD histogram is still falling, and no Rounding Bottom is sighted yet. This implies that the FBMAE is still consolidating with some bearish biased. The weakening of the FBMAE shall continue until the MACD histogram should form a Rounding Bottom.

Generally, when the Bollinger Bands Width should re-expand, it means the consolidation has ended and the FBMAE shall start the new movement. In other words, the FBMAE has to return to above the Bollinger Middle Band in order to avoid the downtrend, or else, if the Bollinger Bands Width should expand with the FBMAE below the Bollinger Middle Band, the outlook for the FBMAE would be bearish biased.

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