

Open: 4324.790 High: 4342.820 Low: 4275.710 Close: 4306.470 -11.230(-0.3%) Volume:
FBM-MDQ [FBMACE] 24/04/2009 - 14/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) -4% - STC(9,3) %K=82.18, %D=73.35 (8.83) Daily
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FBMACE Index Technical Analysis, 14/08/2009, by Straits Index (M) Sdn Bhd

On Friday, the FBMACE ended 11.23 points of 0.3% lower on profit taking, despite its early gains. Therefore, resistance for the FBMACE remains at 4398 WinChart Automatic Fibonacci Retracement while the support is still at 4031 WinChart Automatic Fibonacci Retracement.

As indicated by A, the Bollinger Bands Width contracted 4%, suggesting the FBMACE is still consolidating, despite yesterday's strong gains. Nevertheless, with the FBMACE staying above the Bollinger Middle Band, the immediate outlook is bullish biased. If the Bollinger Bands Width should re-expands, the FBMACE is expected to regain some strength and resume its short term uptrend, and then, the Bollinger Middle Band shall serve as the dynamic support for its short term uptrend.

As circled at B, the Stochastic retreated slightly after hitting 100%. This shows that the short term movement of the FBMAE was slightly over-heated, and a technical correction is likely. However, provided that the Stochastic could remain above 70% level, the short term movement of the FBMAE is still bullish biased.

As circled at C, the MACD histogram is still staying flat at the zero-line, and therefore, no Rounding Bottom is sighted yet. If the MACD histogram should begin rising, and form a Rounding Bottom, it would be a signal suggesting the FBMAE consolidation has ended, and the FBMAE would pick up some strength. On the other hand, the MACD line is still above the zero-line, suggesting the mid term movement of the FBMAE is still on the positive side.

It is rather normal to have a slight pull back after yesterday's strong gain. What important is that the FBMAE is still above the Bollinger Middle Band, and therefore, the only confirmation to the bullish biased movement is the re-expansion of the Bollinger Bands Width.

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