

Open: 4306.840 High: 4312.590 Low: 4200.510 Close: 4216.640 -89.830(-2.1%) Volume:  
 FBM-MDQ [FBMACE] 27/04/2009 - 17/08/2009 Ticks=80 { Indices } Bollinger Band(10,2) 0% - STC(9,3) %K=38.14, %D=64.09 (-25.95) Daily 17-8-2009 17:06:42  
 Created with WinChart (TM) Copyright (C) Straits Index (M) Sdn Bhd



### FBMACE Index Technical Analysis, 17/08/2009, by Straits Index (M) Sdn Bhd

The FBMACE index ended sharply lower on Monday as the regional markets ended mostly lower. As indicated by A, the FBMACE closed slightly below the Bollinger Middle Band. 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 stopped contracting, this suggests that the Bollinger Bands Width is about to expand thus implying that the consolidation of the FBMACE is about to end. If the Bollinger Bands Width should re-expands with the FBMACE below the Bollinger Middle Band, the outlook for the FBMACE would turn bearish biased.

As circled at B, the Stochastic fall below 70% and 50% level, and this signal might be a little over sensitive. Nevertheless, if the Stochastic should continue to fall and break below 30% level, it would suggest that the short term movement of the FBMAE is turning bearish.

As circled at C, the MACD histogram failed to form a Rounding Bottom, and instead ended lower. This shows that the FBMAE had failed to regain its strength. If the MACD histogram should continue falling, the short term movement of the FBMAE is expected to be weakening, until the MACD histogram should rebound and form a Rounding Bottom.

Despite the strong rebound last week, with the FBMAE returning to above the Bollinger Middle Band, the Bollinger Bands Width did not expand, suggesting that the FBMAE consolidation was still intact while still preparing for its new movement. The re-expansion of the Bollinger Bands Width would be critical for the FBMAE for it signals the beginning of its new movement. If the FBMAE should regain its strength and resume its uptrend, it has to return to above the Bollinger Middle Band, or else, if the Bollinger Bands Width should expands with the FBMAE below the Bollinger Middle Band, the outlook would turn bearish biased.

© 2009 Straits Index (M) Sdn Bhd

[www.straitsindex.com](http://www.straitsindex.com)

*WinChart – Designed by investor for investors, since 1998*