

Open: 4208.710 High: 4243.340 Low: 4176.130 Close: 4243.340 +26.700(0.6%) Volume:
 FBM-MDQ [FBMACE] 28/04/2009 - 18/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) -2% - STC(9,3) %K=51.23, %D=66.87 (-15.64) Daily 18-8-2009 17:15:09
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FBMACE Index Technical Analysis, 18/08/2009, by Straits Index (M) Sdn Bhd

On Tuesday, the FBMACE rebounded slightly, but managed to climb back to above the Bollinger Middle Band (Study arrow A), and therefore, this shows that the FBMACE has not formed a downtrend yet. Nevertheless, 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 2%, suggesting that the FBMACE is still consolidating while getting ready for a new movement. Generally, the Bollinger Bands Width has to re-expand in order to signal an end to the consolidation and a beginning of a new trend.

As circled at B, the Stochastic rebounded, without breaking below the 30% level. This shows that the short term movement of the FBMAE has not turned bearish, the FBMAE was only consolidating. If the Stochastic should continue to rebound, and break above 70% level, it would be a signal suggesting the FBMAE might have a chance to resume its short term bullish movement. However, this has to be confirmed by the re-expansion of the Bollinger Bands Width.

Despite the rebound of the Stochastic, the MACD histogram ended lower, and as a result, it has not formed a Rounding bottom. Therefore, this suggests that the FBMAE movement is still on the weaker side, and the weakening movement of the FBMAE is expected to continue until the MACD histogram should successfully form Rounding Bottom.

Although the rebound on Tuesday was not significant, the FBMAE managed to return to above the Bollinger Middle Band, and therefore, it has not formed a downtrend yet while still consolidating. In other words, the FBMAE is still gearing up for a new trend and the direction of the new movement shall only be revealed when the Bollinger Bands Width re-expands.

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