



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 4249.800 High: 4260.350 Low: 4156.680 Close: 4174.550 -68.790(-1.6%) Volume:
FBM-MDQ [FBMACE] 29/04/2009 - 19/08/2009 Ticks=80 (Indices) Bollinger Band(10,2) 6% -STC(9,3) %K=17.51, %D=47.26 (-29.76) Daily 19-8-2009 17:08:11
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FBMACE Index Technical Analysis, 19/08/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the FBMACE ended 68.79 points or 1.6% lower on Wednesday, and as a result, it breaks 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 expanded 6%. However, the expansion was not significant, thus unable to suggest any signal of a downtrend yet. Nevertheless, with the FBMACE below the Bollinger Middle Band, the immediate outlook for the FBMACE is bearish biased. If the Bollinger Bands Width should expand further with the FBMACE below the Bollinger Middle Band, the FBMACE is likely to go down further.

As circled at B, the Stochastic breaks below 30% level, entering the short term bearish territory. This suggests that the FBMAE short term movement is now weakening, and if the Stochastic should remain below 30%, the short term bearish movement is expected to continue.

As circled at C, the MACD histogram is still falling, suggesting the FBMAE weakening movement is still intact. Therefore, provided that the MACD histogram is still heading south, the weakening of the FBMAE is expected to continue, until the MACD histogram should form a Rounding Bottom.

After contracting for about two weeks, the Bollinger Bands Width finally expands, although the expansion was rather insignificant, and therefore, it has not confirmed the formation of a downtrend yet. Despite the insignificant expansion of the band with, the FBMAE is now below the Bollinger Middle Band, which implies some bearish biased movement. If the FBMAE should form a downtrend, the Bollinger Middle Band shall serve as the dynamic resistance for the FBMAE.

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