



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:4272.760 High:4320.980 Low:4228.400 Close:4263.720 -5.300(-0.1%) Volume:
FBM-MDQ [FBMACE] 11/06/2009 - 15/10/2009 Ticks=88 (Indices) Bollinger Band(10,2) 13% - RSI(14) - 77.98 Daily (Fibo) 15-10-2009 17:16:42
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FBMACE Index Technical Analysis, 15/10/2009, by Straits Index (M) Sdn Bhd

As circled at A, the FBMACE had its intra-day high reaching 4320.98 points, but as profit taking activities took place, it ended mixed, gaining with only 5.3 points or 0.1%. The FBMACE formed a Spinning Top candlestick pattern, suggesting that the FBMACE is likely to have a technical correction or a consolidation. But as long as the FBMACE is still staying above the Bollinger Middle Band, the uptrend remains intact.

As shown on the chart above, the Bollinger Bands expansion rate on Thursday is 13%, compared to the

previous 44%, this suggests that the FBMA CE might be having a consolidation or a technical correction. Nonetheless, the Bollinger Middle Band is still the dynamic support for the FBMA CE while the next support is seen at 4175 WinChart Automatic Fibonacci Retracement. Resistance for the FBMA CE is still at the current 4260 followed by the 4398 WinChart Automatic Fibonacci Retracement.

As circled at B, the WinChart RSI is still staying above 70% level, in the mid term bullish territory, despite the FBMA CE is forming a Spinning Top candlestick pattern. This suggests that the mid term strength of the FBMA CE is still on the bullish side, until the WinChart RSI should break below 70% level.

As circled at C, the MACD histogram has not shown a Rounding Top yet, and therefore, this suggests that the short term movement of the FBMA CE is not yet turning weak. However, it pays to monitor the development of the histogram for if the histogram should form a Rounding Top, it would be a signal suggesting that the short term movement of the FBMA CE is losing strength, thus a signal of a technical correction or a consolidation.

After gaining for consecutive trading days, it is only normal to see profit taking activities taking place. Provided that the FBMA CE is still supported by the Bollinger Middle Band or the 14, 21, 31 EMA, the uptrend shall remain intact. Technically speaking, the best type of correction would be a low fluctuation side-ways movement.

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