



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
Tel: (03) 8941 6828
Fax: (03) 8941 9828
email: info@straitindex.com



Open:4441.860 High:4498.430 Low:4356.880 Close:4389.870 -44.40(-1.0%) Volume:
FBM-MDQ [FBMACE] 26/06/2009 - 20/10/2009 Ticks=80 (Indices) Bollinger Band(10,2) 8% - STC(9,3) %K=76.8, %D=87.55 (-10.76) Daily 20-10-2009 17:07:34
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FBMACE Index Technical Analysis, 20/10/2009, by Straits Index (M) Sdn Bhd

On Tuesday, the FBMACE had its intra-day high reaching 4488.43 points, but it ended lower as profit taking took place, closing 44.40 points or 1% lower to 4389.87 points. Although the FBMACE is closing slightly below the 4398 WinChart Automatic Fibonacci Retracement level, it has not confirmed breaking below the 4398 support level. If the FBMACE should continue falling, the next support for the FBMACE is seen at 4329 WinChart Automatic Fibonacci Retracement, while the resistance is at 4488 WinChart Automatic Fibonacci Retracement.

As shown on the chart above, the Bollinger Bands expansion rate reduced to only 8%, from the previous 34%. This suggests that the FBMA CE is likely to consolidate or even a technical correction. If the FBMA CE should have a technical correction, the Bollinger Middle Band would be the target of the consolidation, as indicated by A.

As circled at B, the Stochastic ended lower, breaking below 90% level, after reaching 100%. This is a signal suggesting a normal reaction after the short term movement of the FBMA CE being over-heated. Nonetheless, provided that the Stochastic is still above 70% level, the market movement for the short term is still bullish biased.

As circled at C, the MACD histogram has not formed a Rounding Top yet, and therefore, it has not suggested any weakening signal for the FBMA CE. Nonetheless, if the MACD histogram should form a Rounding Top, it would be a signal suggesting that the short term movement of the FBMA CE is turning weak.

Despite the FBMA CE ended lower, it has not shown any signs of weakening yet, technically speaking. Nevertheless, it is rather normal to see the index to retreat after rallying for a while. In short, provided that the FBMA CE is still supported by the Bollinger Middle Band as well as the 14, 21, 31 EMA, the uptrend shall remain intact.

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