



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:4384.970 High:4389.180 Low:4301.090 Close:4348.280 -41.590(-0.9%) Volume:
FBM-MDQ [FBMACE] 29/06/2009 - 21/10/2009 Ticks=80 { Indices } Bollinger Band(10,2) -4% -STC(9,3) %K=66.05, %D=83.2 (-17.15) Daily (Fibo)
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FBMACE Index Technical Analysis, 21/10/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above the FBMACE continued falling on Wednesday, breaking below the 4398 support level, closing 41.59 points or 0.9% lower. Current support for the FBMACE is at 4329 WinChart Automatic Fibonacci Retracement while the resistance remains at 4488 WinChart Automatic Fibonacci Retracement.

As indicated by A, the Bollinger Middle Band is now the target of the technical correction, and if the FBMACE should rebound from the Bollinger Middle Band, there is still a chance for the FBMACE to

resume its uptrend, and the Bollinger Middle Band shall continue serving as the dynamic support for the FBMAE. Meanwhile, the Bollinger Bands contracted 4%, suggesting that the FBMAE is entering a consolidation stage, or a technical correction.

As circled at B, the Stochastic slid further, breaking below the 70% level by margin. This is a signal suggesting a beginning of a technical correction for the FBMAE. If the Stochastic should continue falling, the short term movement of the FBMAE is likely to turn weaker.

As circled at C, the MACD histogram retreated, and might be forming a Rounding Top. If the MACD histogram should form a Rounding Top, it would be a signal suggesting that the FBMAE is losing strength, thus a signal of consolidation. Provided that the MACD histogram is still falling, the weakening movement of the FBMAE is expected to continue.

In short, the FBMAE started its technical correction after being over-heated by the rally, and the signals can be found in the Stochastic as well as the MACD histogram. Nonetheless, this is only a technical correction for the FBMAE, and not yet an end to the uptrend. Technically speaking, provided that the FBMAE is still supported by the Bollinger Middle Band as well as the 14, 21, 31 EMA, the uptrend is still intact.

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