

Open:4426.130 High:4440.240 Low:4334.420 Close:4349.000 -85.640(-1.93%) Volume:
 FBM-MDQ [FBMACE] 06/07/2009 - 28/10/2009 Ticks=80 { Indices } Bollinger Band(10,2) -18% - STC(9,3) %K=46.38, %D=61.61 (-15.23) Daily (Fibo) 28-10-2009 17:
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FBMACE Index Technical Analysis, 28/10/2009, by Straits Index (M) Sdn Bhd

Due to the negative performance across the regional markets, the FBMACE ended lower, losing 85.64 points or 1.9%. As indicated by A, the FBMACE is still supported by the Bollinger Middle Band as well as the 4329 WinChart Automatic Fibonacci Retracement. Therefore, it still has not formed a downtrend yet. Supports for the FBMACE remain at the Bollinger Middle Band and the 4329 WinChart Automatic Fibonacci Retracement, while the resistance is still at 4488 WinChart Automatic Fibonacci Retracement.

As shown on the chart above, the Bollinger Bands contracted another 18%, suggesting that the FBMACE is

still consolidating. The contraction of the Bollinger Bands has proven that the FBMAACE is not forming any new trend yet, and in short, as long as the Bollinger Bands is still contracting, the market direction shall remains trendless.

As circled at B, the Stochastic failed to hold up above 70% level, and therefore, the FBMAACE failed to resume its short term bullish movement. If the Stochastic should continue falling, and break below 30% level, it would be a signal suggesting a weakening short term movement for the FBMAACE.

As circled at C, the MACD histogram has not formed a Rounding Bottom yet, suggesting that the consolidation continues. If the MACD histogram should continue falling, and break below the zero line, the consolidation of the FBMAACE is expected to carry on with bearish biased.

Despite weakening signal from the MACD histogram, the FBMAACE is still supported by the Bollinger Middle Band as well as the 4329 WinChart Automatic Fibonacci Retracement. Therefore, technically speaking, the KLCI is only having a technical correction, and not a downtrend yet. However, if the FBMAACE should break below the Bollinger Middle Band and the 4329 WinChart Automatic Fibonacci Retracement, the outlook would turn bearish, but still, it has to be confirmed with the re-expansion of the Bollinger Bands.

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