

Open:4709.390 High:4710.340 Low:4602.300 Close:4621.800 -59.56(-1.3%) Volume:
 FBM-MDQ [FBMACE] 08/07/2009 - 10/11/2009 Ticks=97 { Indices } Bollinger Band(10,2) 3% - STC(9,3) 2K=68.32, 2D=79.66 (-11.34) Daily (Fibo) 10-11-2009 16:5
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FBMACE Index Technical Analysis, 10/11/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the FBMACE ended 59.56 points or 1.3% lower. Resistance for the FBMACE remains at 4789.97 WinChart Automatic Fibonacci Retracement while the support is still at 4560 WinChart Automatic Fibonacci Retracement as well as the Bollinger Middle Band dynamic support.

As indicated by A, the Bollinger Bands only expanded 3%, and if compared with the previous 16% expansion rate, it seems like the Bollinger Bands is likely to contract. If the Bollinger Bands should begin to contract, it would be a signal confirming the consolidation of the FBMACE, and the consolidation is

expected to carry, all the way until the Bollinger Bands re-expands.

As circled at B, the Stochastic breaks below 70% by margin. This shows that the short term movement of the FBMA CE might be turning weaker. If the Stochastic should stay below 70% level, it would suggest that the short term movement of the FBMA CE is no longer valid, and the consolidation or technical correction is likely to continue.

As circled at C, the MACD histogram has not formed a Rounding Top, but the MACD histogram is rising much slower, thus implying that the MACD histogram might be forming a Rounding top. When the MACD histogram forms a Rounding Top, it means that the FBMA CE is weakening, and the weakening movement of the FBMA CE is likely to carry on, until the MACD histogram should form a Rounding Bottom.

Despite strong gain in the US markets, the FBMA CE ended lower due to profit taking. Nonetheless, with the FBMA CE above the Bollinger Middle Band, the current movement of the FBMA CE is only a consolidation, but not an end to the overall uptrend. In short, provided that the FBMA CE could rebound from the Bollinger Middle Band, the FBMA CE still has a chance to resume its uptrend.

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