



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:4550.350 High:4569.900 Low:4459.340 Close:4503.740 -41.540(-0.9%) Volume:
FBM-MDQ [FBMACE] 09/07/2009 - 12/11/2009 Ticks=98 { Indices } Bollinger Band(10,2) -2% -STC(9,3) 2K=44.93, 2D=61.76 (-16.83) Daily (Fibo) 12-11-2009 17:1
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FBMACE Index Technical Analysis, 12/11/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the FBMACE continued falling on Thursday, with the intra-day breaking below the Bollinger Middle Band. However, at the close, the FBMACE managed to close precisely at the Bollinger Middle Band, losing 41.54 points or 0.9%. Resistance for the FBMACE is at 4560 and 4790 WinChart Automatic Fibonacci Retracement, while the support is still at the Bollinger Middle Band dynamic support.

As shown on the chart above, the Bollinger Bands contracted 2%, suggesting that the FBMACE is still consolidating or having its technical correction. With the FBMACE supported by the Bollinger Middle

Band, the immediate outlook is still positive, and if the FBMA CE should rebound from the Bollinger Middle Band, there is a chance for the FBMA CE to resume its uptrend, but it has to be confirmed by the re-expansion of the Bollinger Bands.

As circled at B, the Stochastic is still falling, breaking slightly below the 50% level. This suggests that the short term movement of the FBMA CE is still weakening, and if the Stochastic should break below 30% level, the short term movement for the FBMA CE would turn weaker. In other words, it is crucial that the Stochastic could return to above 70% level, in order to avoid further downside movement.

As circled at C, the MACD histogram continues to fall, while the Rounding Top is still clearly visible. This shows that the FBMA CE movement is indeed turning weaker and the weakening of the FBMA CE is expected to carry on until the MACD histogram should form a Rounding Bottom.

Ever since the beginning of this technical correction on Monday, the FBMA CE has been declining, and now reaching its target, which is the Bollinger Middle Band. Therefore, the rebound of the FBMA CE above the Bollinger Middle Band is crucial for it marks a chance of an uptrend continuation. If the FBMA CE should break below the Bollinger Middle Band, more downside risk is expected for the FBMA CE.

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