



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:4264.140 High:4286.000 Low:4224.560 Close:4240.200 -26.250[-0.6%] Volume:
 FBM-MDQ [FBMACE] 13/07/2009 - 11/12/2009 Ticks=106 { Indices } Bollinger Band[10,2] 21% - STC[9,3] %K=24.23, %D=39.08 [-14.85] Daily (Fibo) 11-12-2009 17
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FBMACE Index Technical Analysis, 11/12/2009, by Straits Index (M) Sdn Bhd

As indicated by A, the Bollinger Bands continue to expand on Friday, expanding 21%, while the FBMACE remains below the Bollinger Middle Band. Therefore, the downward movement continues, with the FBMACE losing 26.25 points or 0.6%. Support for the FBMACE remains at 4187 WinChart Automatic Fibonacci Retracement while the resistance is at 4302 as well as the Bollinger Middle Band dynamic resistance.

The re-expansion of the Bollinger Bands suggests that the FBMA CE has begun its new movement, which has been prepared by the previous contraction of the Bollinger Bands. Nevertheless, should the Bollinger Bands continue to expand, with the FBMA CE staying below the Bollinger Middle Band, more downside movement is expected for the FBMA CE.

As circled at B, the Stochastic breaks below 30% level on Friday, entering the short term bearish territory. Provided that the Stochastic is still below 30%, the market movement for the short term is still bearish biased.

As indicated by C, the MACD histogram has not formed a Rounding Top, but the MACD histogram is showing an early sign that a Rounding Top is “on its way”. Should the MACD histogram formed a Rounding Top, it would be a signal suggesting a weakening movement for the FBMA CE, and the weakness of the FBMA CE is expected to carry on until the MACD histogram should form a Rounding Bottom.

In short, the re-expansion of the Bollinger Bands with the FBMA CE below the Bollinger Middle Bands started the current downtrend of the FBMA CE, and more downside movement is expected for the FBMA CE unless the Bollinger Bands should contract again, then, the FBMA CE would consolidate.

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