



### FBMACE Index Technical Analysis, 29/12/2009, by Straits Index (M) Sdn Bhd

As shown on the chart above, the FBMACE continued trading in its narrow range, gaining only 6.59 points on Tuesday. As indicated by A, the FBMACE tested the Bollinger Middle Band again, but still resisted by the Bollinger Middle Band. Therefore, the Bollinger Middle Band is still the dynamic resistance for the FBMACE, while the 4302 WinChart Automatic Fibonacci Retracement resistance remains intact, and the support is still at 4187 WinChart Automatic Fibonacci Retracement.

Meanwhile, the Bollinger Bands contracted another 21% on Tuesday, suggesting that the FBMA CE is still consolidating while preparing for a new movement. If the Bollinger Bands should continue to contract, the FBMA CE is expected to continue its narrow range consolidation.

As circled at B, the Stochastic continued rising after rebounded from the 30% level. Although the Stochastic has not broken above the 50% level, it is slightly turning up, which implies that the FBMA CE is about to regain some strength. However, technically speaking, the Stochastic has to break above 70% level, and maintain above 70% level for the FBMA CE to regain its short term bullish movement.

As indicated by C, the MACD histogram is breaking above the zero level, suggesting that the FBMA CE is likely to pick up some strength. If the MACD histogram should continue rising, the FBMA CE short term movement is expected to improve, until it should form a Rounding Top.

In conclusion, the FBMA CE was supported by the 4187 WinChart Automatic Fibonacci Retracement, and therefore, it did not resume its downtrend and consolidated. Despite slight improvement in the Stochastic and MACD histogram signals, the FBMA CE is still resisted by the Bollinger Middle Band, and therefore, the immediate outlook for the FBMA CE is still on the negative side.

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