



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:4608.740 High:4609.390 Low:4506.800 Close:4539.280 -48.910(-1.1%) Volume:
 FBM-MDQ [FBMACE] 16/09/2009 - 13/01/2010 Ticks=80 (Indices) Moving Averages e(14,21,31) 4416.641, 4383.515, 4362.005 - STC(9,3) %K=80.08, %D=86.43 (-
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FBMACE Index Technical Analysis, 13/01/2010, by Straits Index (M) Sdn Bhd

As indicated by A, the FBMACE opened at above the 4601 WinChart Automatic Fibonacci Retracement, but as profit taking took place, the FBMACE started falling, and at the close, the FBMACE lost 48.91 points or 1.1%, to end the trading day at 4539.28 points. Therefore, the 4601 WinChart Automatic Fibonacci Retracement is still the resistance for the FBMACE while the support is at 4485 WinChart Automatic Fibonacci Retracement followed by the 14, 21, 31 EMA.

Meanwhile, the Bollinger Bands contracted 7% on Wednesday, suggesting that the FBMAE is about to consolidate. If the Bollinger Bands should continue to contract, the FBMAE is expected to move sideways while the Bollinger Middle Band is also serving as the dynamic support.

Despite the FBMAE showing a sign of a technical correction or a consolidation, the Stochastic is still above the 70% level, as circled at B. Technically, if the Stochastic should break below 70% level, it would be a beginning of a technical correction.

As circled at C, the MACD histogram ticked lower, which implied that the MACD histogram might be forming a Rounding Top. If the MACD histogram should form a Rounding Top, it would be a signal suggesting that the FBMAE is entering a consolidation stage, or it might be weakening.

Since the FBMAE picked its strength from the 29th of December, 2009, it has gained up to 425 points or 10%. Therefore, it is rather normal to have a profit taking activities. Nevertheless, provided that the FBMAE could rebound from the Bollinger Middle Band or the 14, 21, 31 EMA after the consolidation or technical correction, the uptrend is expected to resume.

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