

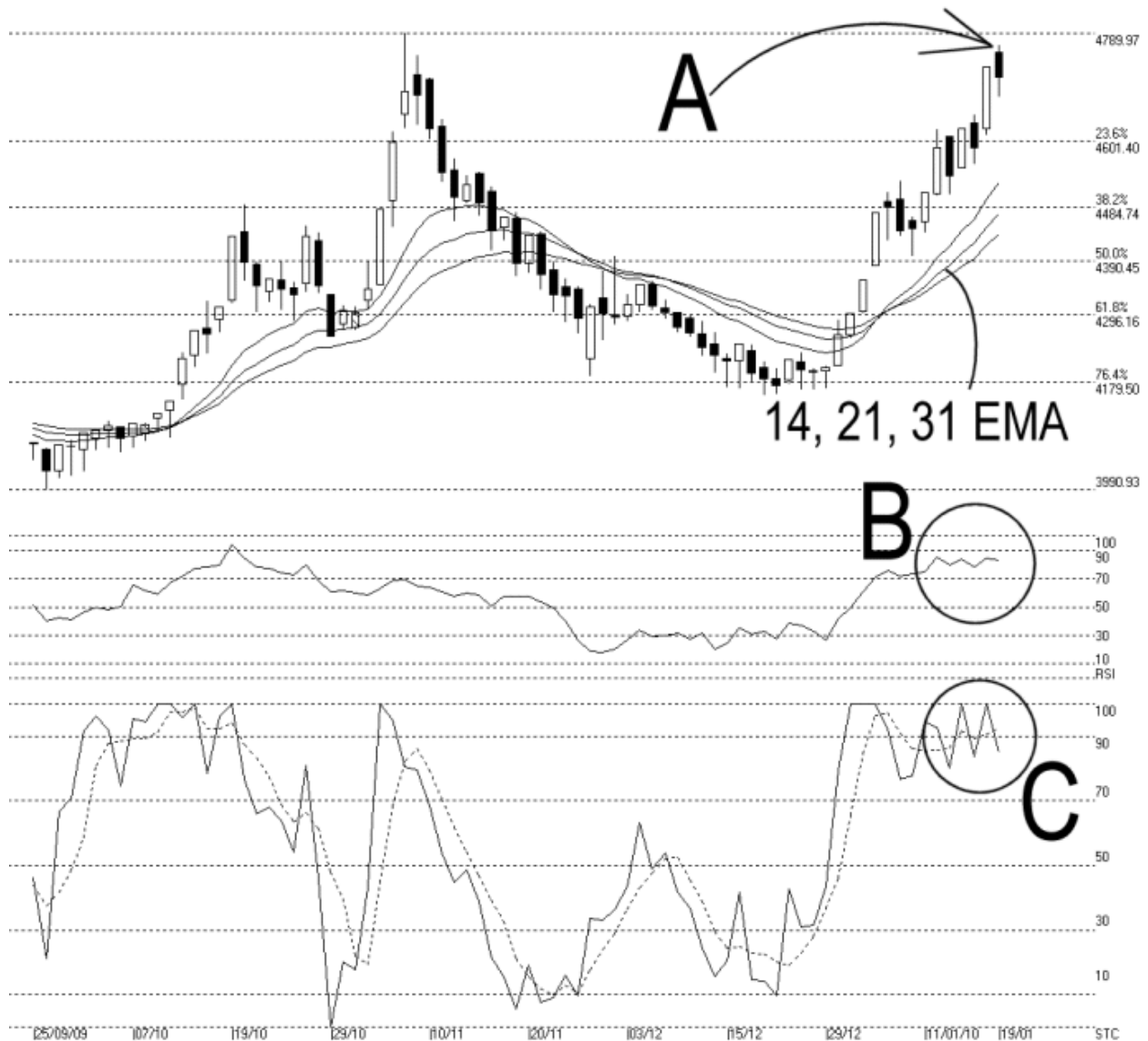


Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 4755.850 High: 4768.030 Low: 4678.130 Close: 4713.560 -17.610(-0.4%) Volume:
FBM-MDQ [FBMACE] 25/09/2009 - 19/01/2010 Ticks=79 (Indices) Moving Averages e(14,21,29) 4527.655, 4473.974, 4438.111 - RSI(14) = 82.44 Daily (Fibo) 19-
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FBMACE Index Technical Analysis, 19/01/2010, by Straits Index (M) Sdn Bhd

As indicated by A, the FBMACE opened higher on Tuesday and had its intra-day high reaching 4768.03 points. However, as the FBMACE approached the 4790 WinChart Automatic Fibonacci Retracement, selling pressure increased, and as a result, the FBMACE ended lower, losing 17.61 points or 0.4%. Therefore, 4790 WinChart Automatic Fibonacci Retracement is still the resistance for the FBMACE while the support is at 4601 WinChart Automatic Fibonacci Retracement as well as the 14, 21, 31 EMA dynamic support.

Meanwhile, the Bollinger Bands did not expand on Tuesday, as this implied that the FBMA CE is likely to consolidate after approaching to the 4790 WinChart Automatic Fibonacci Retracement. Nonetheless, if the FBMA CE should retreat as a technical correction, the Bollinger Middle Band and the 14, 21, 31 EMA would be the first target.

As circled at B, the WinChart RSI remains above 70% level, which is the mid term bullish territory. This suggests that the market sentiment for the mid term is still positive.

As circled at C, the Stochastic retreated slightly after touching 100%. This is a signal suggesting that the short term movement of the FBMA CE is indeed strong, but it is getting over-heating. Nonetheless, provided that the Stochastic is still above 70%, the short term bullish signal for the FBMA CE shall remain intact.

In conclusion, it is normal to have a reaction as the FBMA CE is approaching a strong resistance. However, if the FBMA CE should rebound from the 14, 21, 31 EMA or the Bollinger Middle Band, there is a good chance that the uptrend shall resume, and the FBMA CE would re-test the 4790 resistance again.

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