



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open: 4724.120 High: 4729.360 Low: 4621.140 Close: 4621.140 -92.420(-2.0%) Volume:
FBM-MDQ [FBMACE] 25/09/2009 - 20/01/2010 Ticks=80 (Indices) Moving Averages e(14,21,29) 4540.12, 4487.353, 4450.313 - RSI(14) = 73.66 Daily (Fibo)
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FBMACE Index Technical Analysis, 20/01/2010, by Straits Index (M) Sdn Bhd

On Wednesday, the FBMACE continued its technical correction, losing 92.42 points or 2%. As indicated by A, the FBMACE is now heading towards its target, which is the 14, 21, 31 EMA dynamic support. Nevertheless, resistance for the FBMACE remains at 4790 WinChart Automatic Fibonacci Retracement while the support is still at 4601 WinChart Automatic Fibonacci Retracement.

Meanwhile, the Bollinger Bands continue to contract, suggesting that the FBMACE is still

consolidating, and the Bollinger Middle Band is also serving as a dynamic support for the FBMA CE. If the Bollinger Bands should continue to contract, the consolidation or the technical correction of the FBMA CE is expected to carry on.

As circled at B, the WinChart RSI started falling but still above 70% level. This shows that the mid term strength for the FBMA CE is still strong. Nonetheless, if the WinChart RSI should break below 70% level, it would be an end to the mid term bullish signal.

As circled at C, the Stochastic breaks below 70% level, and the short term bullish signal has ended. This is also a signal suggesting a beginning of a technical correction. The technical correction of the FBMA CE is expected to continue unless the Stochastic should return to above 70% level.

Despite the FBMA CE ended lower, the uptrend remains intact. This is because the FBMA CE is still staying above the 14, 21, 31 EMA as well as the Bollinger Middle Band, and the retreat on Wednesday is only a technical correction. If the FBMA CE should rebound from the dynamic support, there is a good chance that the FBMA CE would resume its uptrend and re-test the 4790 WinChart Automatic Fibonacci Retracement.

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