



Straits Index (M) Sdn Bhd.
 WinChart Technical Analysis
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Open:3647.880 High:3689.210 Low:3633.180 Close:3689.210 +38.190(1.0%) Volume:
 FBM-MDQ [FBMACE] 29/01/2010 - 26/05/2010 Ticks=80 { Indices } Moving Averages e(14,21,31) 3887.003, 3944.601, 4003.087 - STC(9.3) %K=16.72, %D=13.18 (3
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FBMACE Index Technical Analysis, 26/05/2010, by Straits Index (M) Sdn Bhd

On Wednesday, the FBMACE rebounded 38.19 points or 1%, to close at 3689.21 points. Support for the FBMACE remains at 3587 WinChart Automatic Fibonacci Retracement while the resistance remains at 3816.56 WinChart Automatic Fibonacci Retracement.

As indicated by A, despite the rebound on Wednesday, the 14, 21, 31 Exponential Moving Average is still serving as the dynamic resistance for the FBMACE, thus the downtrend remains intact.

As circled at B, the Stochastic remains below 30% despite the FBMA CE rebound, this shows that the short term bearish signal is still in place, until the Stochastic should break above 30%, then only it would be a signal suggesting a beginning of a technical rebound.

As indicated by C, the DMI is still showing a bearish signal, and the bearish trend of the FBMA CE is expected to carry on until the +DI line could break above the -DI line.

In conclusion, the downtrend remains intact, and investors have to distinguish the differences between a technical rebound and a reversal. Basically, a technical rebound is a rebound below the dynamic resistance, while a reversal has to break above the 14, 21, 31 EMA dynamic resistance.

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