



Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:3782.350 High:3792.270 Low:3743.650 Close:3770.820 -11.880(-0.3%) Volume:
FBM-MDQ [FBMACE] 17/02/2010 - 10/06/2010 Ticks=80 { Indices } Moving Averages e(14,21,31) 3799.09, 3837.866, 3892.498 - STC(9,3) %K=67.97, %D=74.24 [-6.
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FBMACE Index Technical Analysis, 10/06/2010, by Straits Index (M) Sdn Bhd

On Thursday, the FBMACE continued its sideways movement, while traded in narrow range. The FBMACE loss 11.88 points or 0.3%. As indicated by A, the FBMACE is still resisted by the 14, 21, 31 Exponential Moving Average, which is the dynamic resistance, thus the downtrend is still intact.

Meanwhile, the Bollinger Bands also contracted, suggesting that the FBMACE is not only consolidating, but also preparing for a new movement, and the direction of the new movement shall be revealed once the Bollinger Bands re-expands.

As circled at B, the Stochastic started falling on Thursday, and tested the 70% level. If the Stochastic should break below 70%, it would mark an end to the short term bullish signal, and the short term movement of the FBMAE is likely to stay weak. Technically, if the Stochastic should break below 30%, it would be a short term bearish signal.

As indicated by C, the DMI bearish signal remains intact, as the ADX line and the -DI line are still rising. Therefore, the bearish signal shall carry on until the +DI line could break above the -DI line.

In conclusion, the downtrend remains unchanged. However, the prolonged sideways movement of the FBMAE has temporarily helped the FBMAE downtrend from worsening. Despite the sideways movement, the FBMAE is still below the 14, 21, 31 EMA thus the technical outlook shall remain weak.

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