

Technical Analysis – Weekly FBM KLCI

	13/8/2010	6/8/2010
Open	1,360.56	1,364.23
High	1,362.24	1,370.52
Low	1,342.07	1,358.52
Close	1,360.15	1,360.45
Volume	3.93 bil	4.74 bil
Pivot	1,354.8	1,363.1
1 st Resis.	1,367.5	1,367.8
2 nd Resis.	1,374.9	1,375.1
1 st Supp.	1,346.4	1,355.8
2 nd Supp.	1,334.6	1,351.1
Indicators		
MACD	buy	sell
DM Index	buy	buy
Stochastics	buy	buy

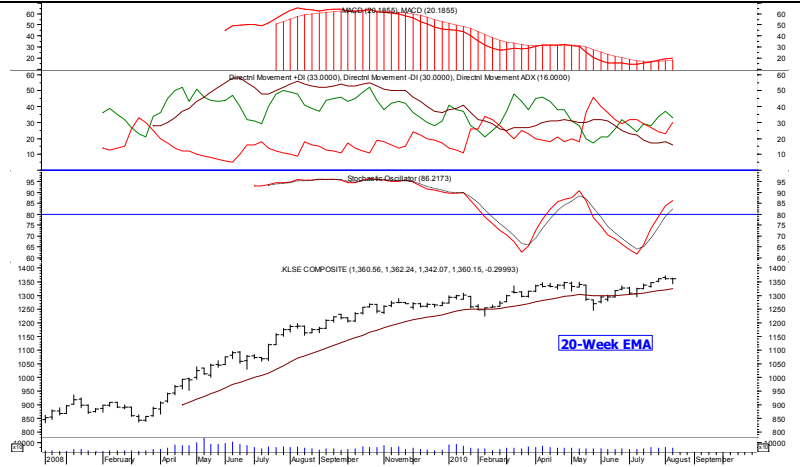


Chart wise : .

..... 48% of total weekly market trading activity was on buying side

Weekly Market Commentary :

Troubled by US economic news on widened trade deficit in June 2010 to reach its highest level in 20 months and weaker-than-expected weekly employment report, DJIA traded higher to a high of 10,719.90 before tumbled down to 10,268.70 to settle at **10,320** for the week ended 12/8/2010.

The sell-off in Wall Street dampened trading sentiment in Bursa Malaysia last week, FBM KLCI broke below 1,350 level to a low of 1,342.07 as traders decided to profit take their winning trades; however, renewed buying support rolled in, this lifted stock index back up above 1,350 level before settled near week high at **1,360.15**.

Last week, total market turnover was **3.93** billion shares compared to **4.74** billion shares in the preceding week; thus, the **smaller market volume** in a down close scenario suggested **weaker buying pressure**.

With a week high (1,362.24) lower than previous week high (1,370.52) and a low (1,342.07) lower than previous week low (1,358.52), can market continue to go upward ? The weekly lower weekly high and lower low last week (13/8/2010), market would be trading sideways with downside bias; but, market continued to trade above 20-week MA (1,324) which would act as market support. This

market met its resistance at 1,370 level, many traders would likely be looking to play on selling side in coming week.

On examination of the market behaviour for the week ended 13/8/2010, the weekly **down close** of **1,360.15** did not paint a friendly picture onto the chart with **support** pegged at **1,325** and **overhead resistance** at **1,370** level.

A mathematical calculation showed that about **48 %** of the total market trading activity for week ended 13/8/2010 was on the **buying side** compared to **34 %** in the previous week.

Conclusion :

The market action(s) for week ended 13/8/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus likely to trade **below 1,342.07** after making attempt to go higher than **1,362.24**.