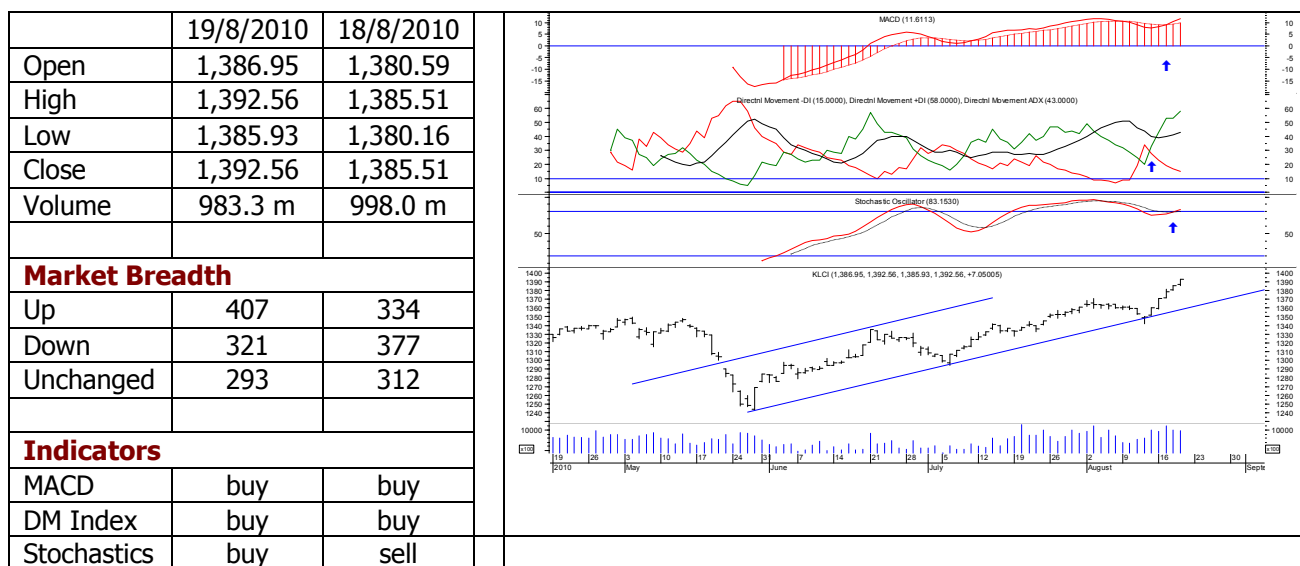


Technical Analysis – Daily FBM KLCI



Marker rose under smaller volume

Market Commentary :

Led by some pluses in retail earnings reports, DJIA had on 18/8/2010 gained 9.69 points to close at 10,415.54.

The single-digit rise in Wall Street helped to send another friendly sentiment to Bursa Malaysia in the opening bell on 19/8/2010, FBM KLCI gapped up with an intra-low of **1,385.93** as traders chose to play a buying game in anticipation of higher market. Under greater buying support, stock index rose into 1,390 zone to reach a day high of **1,392.56**, and kept its position on the high side throughout the trading sessions before settled at **day high**.

The **rise of 7.05** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM (up RM0.10)**, **Sime Darby (up RM0.03)**, **KLK (up RM0.06)**, **HL bank (up RM0.01)** and **GenM (up RM0.03)**.

What was the chart saying

Market blasted into 1,390 zone on 19/8/2010 with another upside gap following the gapped up scenario on 17/8/2010. The higher market play yesterday was expected not only due to positive close in previous day; but, mainly because of the re-entry into 1,370 zone on 16/8/2010 and the good recovery to close comfortably strong after dipping to a day low of 1,342.07 on 12/8/2010 had helped to open up the road to the upside. Furthermore, the market had also been holding well above 1,350 level since 26/7/2010, and **certain base had been established to cushion a fall below this level until we see bigger selling force to break the wall (1,350 level) down.**

Ladies & gentlemen, the rebound from day low of 1,342.07 to day high of 1,350.22 on 12/8/2010 had put this market back into the upward sloping channel (drawn on chart), this carried certain

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amount of good "info" inside, and this friendly "info" would likely be the supportive force to keep the stock index to the upside within the channel [at this juncture](#).

The crossover into 1,370 zone on 16/8/2010 would pave the way for stock index to [next high of 1,380 – 1,420](#) level given the return of same trading excitement created on 3/8/2010 and 4/8/2010 to acquire more stock positions in the period between 5/8/2010 and 10/8/2010.

The market run-up of **50.49** points from low of 1,342.07 (12/8/2010) to a high of **1,392.56** (19/8/2010) in 6 days had placed the stock index in an overbought zone, this may have created a caution stance among traders in playing aggressively on buying side. [Well, given the lower end level of upside target between 1,380 and 1,420 levels has been attained without much stronger follow through buying support on 18/8/2010 & 19/8/2010, traders should begin to look into applying risk management strategy.](#)

What were the strong hands doing

A check of internal market strength on 19/8/2010 showed that buying strength [improved](#) with strong hand(s) seen [acquiring another portion of buying positions](#), and the net number of stock positions established from 12/8/2010 to [19/8/2010](#) was about [227%](#) more than what was liquidated between 29/7/2010 and 11/8/2010 compared to [196%](#) in the preceding day.

Conclusion :

Market outlook remained friendly with key market support level to remain at 1,350; but, 1,380 level should act as immediate support.

[The analysis of overall daily market action\(s\) on 19/8/2010 revealed that buying power\(s\) was stronger compared to selling pressure\(s\), FBM KLCI would thus likely to trade above 1,392.56.](#)