

Technical Analysis – Weekly FBM KLCI

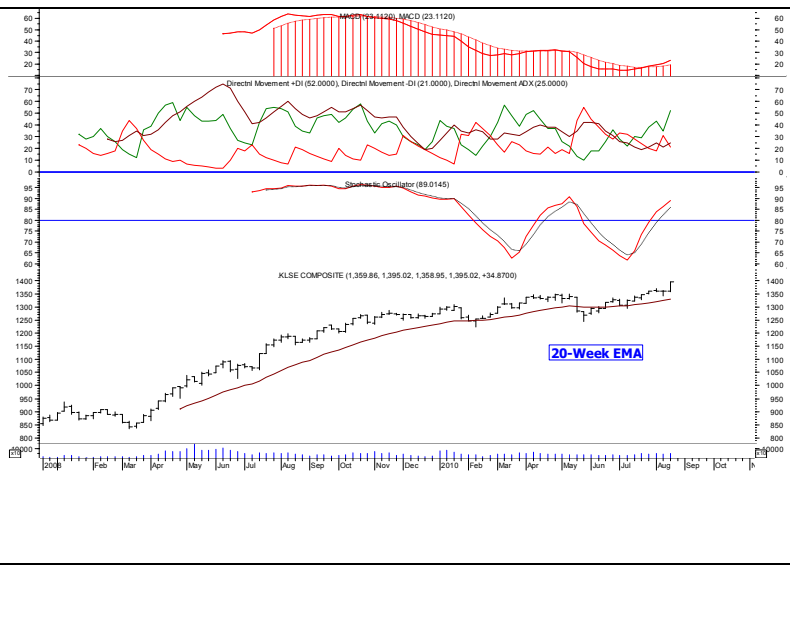
	20/8.2010	13/8/2010	
Open	1,359.86	1,360.56	
High	1,395.02	1,362.24	
Low	1,358.95	1,342.07	
Close	1,395.02	1,360.15	
Volume	4.90 bil	3.93 bil	
Pivot	1,383.0	1,354.8	
1 st Resis.	1,407.0	1,367.5	
2 nd Resis.	1,419.0	1,374.9	
1 st Supp.	1,370.9	1,346.4	
2 nd Supp.	1,346.9	1,334.6	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Chart wise : .

..... **98% of total weekly market trading activity was on buying side**

Weekly Market Commentary :

Renewed investors' concern about the pace of US economic recovery after reports of Labor Department showed rising initial claims for unemployment benefits last week, DJIA traded lower to a low of 10,209.50 before settled at **10,271.20** for the week ended 19/8/2010.

The sell-off in Wall Street did not seem to dampen trading sentiment in Bursa Malaysia last week, FBM KLCI broke crossed over 1,390 level to reach highest high of **1,395.02** since 28/2/2008 as traders chose to play on buying side in anticipation of higher market after overcoming 1,370 level. Stock index kept its position well supported throughout the week before settled near week high at **1,395.02**.

Last week, total market turnover was **4.90** billion shares compared to **3.93** billion shares in the preceding week; thus, the **bigger market volume in an up close scenario** suggested **stronger buying pressure**.

With a week high (1,395.02) higher than previous week high (1,362.24) and a low (1,358.95) higher than previous week low (1,342.07), can market continue to go upward ? The higher high and higher low last week (20/8/2010) suggested market buying strength, and it should thus help the market in making next attempt to go higher. However, market resistance at 1,400 level can be expected in coming week.

On examination of the market behaviour for the week ended 20/8/2010, the weekly **up close** of **1,395.02** helped to paint a friendly picture onto the chart with **support** pegged at **1,350** and **overhead resistance** at **1,400** level.

A mathematical calculation showed that about **98 %** of the total market trading activity for week ended 20/8/2010 was on the **buying side** compared to **48 %** in the previous week.

Conclusion :

The market action(s) for week ended 20/8/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus likely to trade **above 1,395.02**.