

Technical Analysis – Weekly FBM KLCI

	6/8/2010	30/7/2010
Open	1,364.23	1,350.54
High	1,370.52	1,360.92
Low	1,358.52	1,348.29
Close	1,360.45	1,360.92
Volume	4.74 bil	4.34 bil
Pivot	1,363.1	1,356.7
1 st Resis.	1,367.8	1,365.1
2 nd Resis.	1,375.1	1,369.3
1 st Supp.	1,355.8	1,352.5
2 nd Supp.	1,351.1	1,344.0
Indicators		
MACD	buy	sell
DM Index	buy	buy
Stochastics	buy	buy

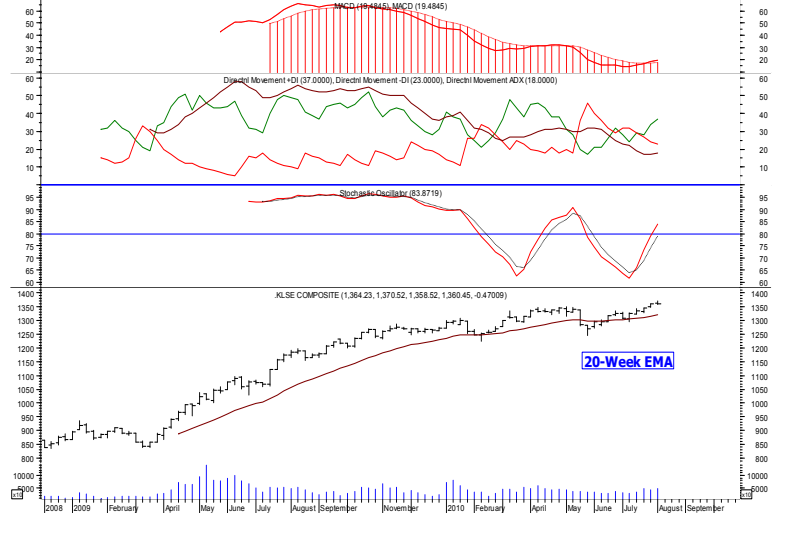


Chart wise : .

..... **34%** of total weekly market trading activity was on buying side

Weekly Market Commentary :

Supported by news of better corporate earnings report from Procter & Gamble, Dow Chemical Co., and reassuring signs on employment and growth in the service industry measured by ISM index from 53.8 in June 2010 to 54.3 in July 2010, DJIA traded higher to a high of 10,703 before settled at **10,675** for the week ended 5/8/2010.

The friendly upward move in Wall Street sent a feel good sentiment to Bursa Malaysia last week, FBM KLCI traded higher to reach highest high of 1,370.23 since 29/2/2008; but, profit taking activity rolled in, and this pushed stock index down to a week low of **1,358.52** before settled at **1,360.45**.

Last week, total market turnover was **4.74** billion shares compared to **4.34** billion shares in the preceding week; thus, the **bigger market volume** in a **down close** scenario suggested **stronger selling pressure**.

With a week high (1,370.52) higher than previous week high (1,360.92) and a low (1,358.52) higher than previous week low (1,348.29), can market continue to go upward ? The higher weekly high and higher weekly low last week (6/8/2010) coupled with settlement above the 20-week MA continued to be supportive; however, market was also believed to have met its resistance at 1,370 level. Selling pressure would thus likely to show up in coming week even though **the ability on the**

part of stock index to close above 1,300 level after an intra-week dip below 1,300 level in week ended 9/7/2010 may have helped to validate the earlier crossover of 1,300 level in week ended 18/6/2010 and has also opened up room to go upward (FYI : week high on 9/7/2010 was 1,327.27 compared to week high at 1,370.52 on 6/8/2010)

On examination of the market behaviour for the week ended 6/8/2010, the weekly down close of 1,360.45 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 34 % of the total market trading activity for week ended 6/8/2010 was on the buying side compared to the 91 % in the previous week.

Conclusion :

The market action(s) for week ended 6/8/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be making attempt to trade **below 1,358.52**.