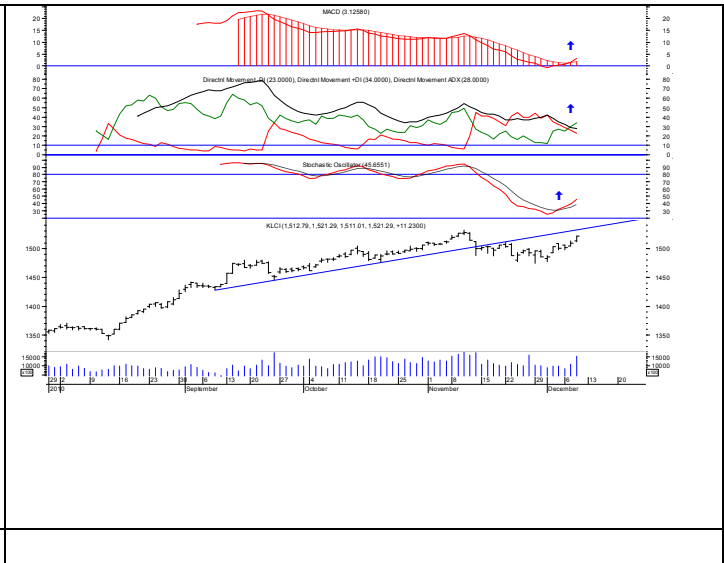




Technical Analysis – Daily FBM KLCI

	9/12/2010	8/12/2010
Open	1,512.79	1,504.52
High	1,521.29	1,513.24
Low	1,511.51	1,504.52
Close	1,521.29	1,501.06
Volume	1,525.7 m	1,084.7 m
Market Breadth		
Up	494	458
Down	307	310
Unchanged	267	277
Indicators		
MACD	Buy	Buy
DM Index	Buy	buy
Stochastics	Buy	buy



1,531.99 ! Here I come ?.....

Market Commentary :

Led by compromise on extending tax cuts between President Barack Obama and Republican leader, DJIA had on 8/12/2010 gained **13.32** points to close at **11,372.48**.

The marginal double-digit rise in Wall Street did not send any negative effect to Bursa Malaysia in the opening bell on 9/12/2010, FBM KLCI only traded to a day low of **1,511.01** as traders were seen unwilling to play on selling side. In the absence of stronger selling pressure, renewed buying support rolled in, this lifted stock index above 1,520 zone before settled at **day high**.

The **rise** of **11.23** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.20 to RM8.90), **Maybank** (up RM0.03 to RM8.43), **AMMB** (up RM0.08 to RM6.50), **Hong Leong Bank** (up RM0.09 to RM9.36) and **Tenaga Nasional** (up RM0.21 to RM8.79).

What was the chart saying

Market took a quick upward move into 1,520 zone yesterday (9/12/2010) on the back of up close scenario on 8/12/2010. That was basically supported by the sudden market turnaround on 8/12/2010 when market was expected to be trading sideways and market crossover into 1,510 zone on 8/12/2010.

Why a sudden turnaround on 8/12/2010 ? An active play was believed to be on the card as the longer this market were to stay in passive mode, more traders would tend to feel jittery about the market upward potential; thus, by engaging in an active play game, traders would at least focus at the price (index movement) action.

On 9/12/2010, we could see the "supportive" play at 1,510 level, because there was an attempt to put the market into this test; but, market did not dip below that level. It showed the "intention" on

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the part of stock index to make 1510 level as another stepping level to go higher when the rebound from low of 1,474.02 (1/12/2010) to 1,508.41 (3/12/2010) in 3 days had helped to "contain" the negative trading after the recent 3 occasions of downside violations of 1,480 level on 24/11/2010, 29/11/2010, and 1/12/2010, followed by the gap up scenario occurred on 2/12/2010 which suggested the urgency on the part of traders to buy stocks.

Ladies & gentlemen, stock trading is a game. Different traders may have different levels of excitement and expectation about the crossover of 1,500 level; but, certain traders **knew very well** that this excitement and expectation of positive market outlook would fizzle out if no attempts were to be made to protect the stock index at 1,500 level in due time. And, market buying activity would not increase **IF** investors and traders do not get to feel the confidence in the game.

With the crossover of 1,510 level, where would the market go from here ? The market was moving fast to break away from 1,510 level on 9/12/2010 after registering an up close above 1,510 level on 8/12/2010. **WHY ?** **The return move into 1,500 zone on 3/12/2010 was accompanied by a higher market into 1,510 zone on 8/12/2010 signified a step forward to jump out of the sell-offs occurred on 11/11/2010 and 12/11/2010. And, the way this market carried itself appeared to be pointing to a level higher than 1,525 mentioned in our report for Thursday, 9 December 2010, probably at 1,532 – 1,535 level.**

What were the strong hands doing

A check of internal market strength on 9/12/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions**, and the net number of stock positions **acquired** from **30/11/2010 to 9/12/2010** was about **163% more than** what was **established** between 18/11/2010 and 22/11/2010 compared to **60%** in the preceding day..

Conclusion :

Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level pegged at 1,480.

The analysis of overall daily market action(s) on 9/12/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,521.29.