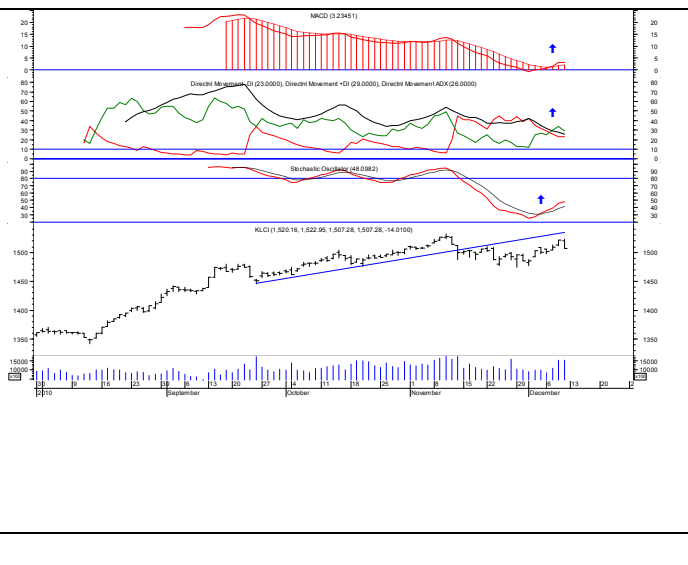


Technical Analysis – Daily FBM KLCI

	10/12/2010	9/12/2010
Open	1,520.16	1,512.79
High	1,522.95	1,521.29
Low	1,507.28	1,511.51
Close	1,507.28	1,521.29
Volume	1,531.6 m	1,525.7 m
Market Breadth		
Up	354	494
Down	428	307
Unchanged	280	267
Indicators		
MACD	Buy	Buy
DM Index	Buy	buy
Stochastics	Buy	buy



Selling Pressure.....

Market Commentary :

Clouded by uncertainty over the passing of Bill to extend tax cuts at all income levels for 2 years, DJIA had on 9/12/2010 lost **2.42** points to close at **11,370.06**.

The marginal single-digit drop in Wall Street did not send negative effect to Bursa Malaysia in the opening bell on 10/12/2010, FBM KLCI traded higher to a day high of **1,522.95** as some traders continued to play a buying game in anticipation of higher market. However, weak follow thru buying support in the area of **1,522.95** prompted renewed profit taking activity to roll in, this pushed stock index down to a low of **1,507.28** before settled at **1,507.28**.

The **drop** of **-14.01** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB** (down RM0.14 to RM8.76), **Hong Leong Bank** (down RM0.11 to RM9.25), **Sime Darby** (down RM0.07 to RM8.66), **IOI Corp** (down RM0.06 to RM5.72) and **Tenaga Nasional** (down RM0.19 to RM8.60).

What was the chart saying

Market inched higher last Friday on the back of strong up close scenario in the preceding day (9/12/2010), and there was nothing unexpected here (higher level) as it was merely a follow thru of what happened in the day before (9/12/2010).

There was a quick upward move into 1,520 zone on 9/12/2010; **why didn't we see the same pace again on 10/12/2010 ?** Well, theoretically market should at least display the same kind of buying enthusiasm in the opening bell on 10/12/2010 in an effort to carry thru the upward move on 9/12/2010. **BUT**, there was no immediate sign of buying supportThe **reason behind** was believed to be the drawing near of market hurdle at 1,525 level; moreover, 10/12/1010 was the last day of trading for the week, many traders would not want to add in new stock positions for fear of overnight risk. Instead of buying more, they had chosen to profit take the winning trades.

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With the cross below of 1,510 level, where would the market go from here ? The sell-off on 10/12/2010 was unusual as it erased all the gain registered on 9/12/2010, this showed that traders were in this game for quick play and not to buy and hold. Basically, the market fulfilled its objective at 1,522.95, 2 points away from our earlier upside projection of 1,525 written in report for 9/12/2010.

What were the strong hands doing

A check of internal market strength on 10/12/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, and the net number of stock positions acquired from 23/11/2010 to 10/12/2010 was about 22% more than what was established between 18/11/2010 and 22/11/2010 compared to 163% 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 1,490.

The analysis of overall daily market action(s) on 10/12/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,507.28