

Technical Analysis – Weekly FBM KLCI

	17/12/2010	10/12/2010
Open	1,511.82	1,505.66
High	1,517.85	1,522.95
Low	1,495.20	1,497.61
Close	1,499.88	1,507.28
Volume	5.86 b	4.98 b
Pivot	1,504.2	1,511.4
1 st Resis.	1,513.3	1,525.2
2 nd Resis.	1,526.8	1,536.7
1 st Supp.	1,490.7	1,499.9
2 nd Supp.	1,481.6	1,486.1
Indicators		
MACD	sell	sell
DM Index	Buy	buy
Stochastics	Sell	sell

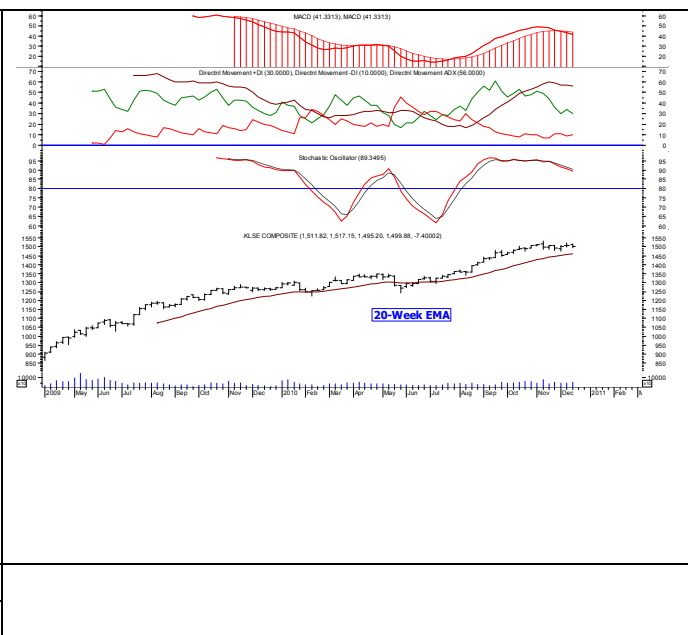


Chart wise :

.....**23%** of market volume on buying

Weekly Market Commentary :

Supported by report from US Labor Department on a drop in first time claims for unemployment benefits for the 3rd time in 4 weeks, DJIA traded higher to a high of **11,519.0** in the week ended 16/12/2010 before settled at **11,499.20**.

The gain in Wall Street did not send a friendly signal to Bursa Malaysia last week, FBM KLCI traded lower to reach a week low of **1,495.20** before settled at **1,499.88**.

Last week, total market turnover was **5.86** billion shares compared to **4.98** billion shares in the preceding week; thus, the bigger market volume in a down close scenario suggested weaker buying power.

With a week high (1,517.15) lower than previous week high (1,522.95) and a low (1,497.20) lower than previous week low (1,497.61), can market continue to go upward ? The market was not garnering enough buying power to charge its upward move farther into 1,520 zone, and this was subsequently followed by selling pressure to move below 1,500 level. This downward move did not seem to augur well for a friendly development, and the market **can thus be expected to trade sideways with downside bias this week.**

On examination of the market behaviour for the week ended 17/12/2010, the weekly **down close** of **1,499.88** did not paint a friendly picture onto the chart with immediate **support** pegged at **1,485** and **overhead resistance** at **1,525** level.

A mathematical calculation showed that about **23 %** of the total market trading activity for week ended 17/12/2010 was on the **buying side** compared to **53 %** in the previous week.

Conclusion :

The market action(s) for week ended 17/12/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to go **below 1,495.2** .