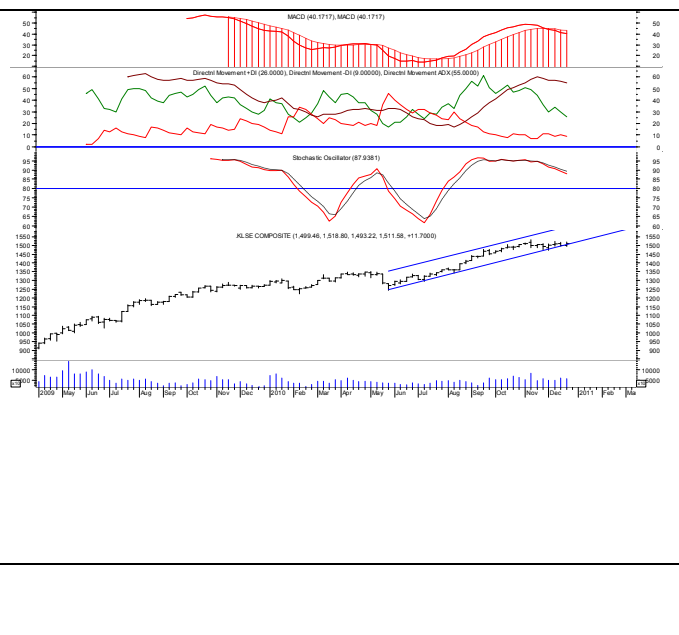


**Technical Analysis – Weekly FBM KLCI**

| | 24/12/2010 | 17/12/2010 |
|------------------------|------------|------------|
| Open | 1,499.46 | 1,511.82 |
| High | 1,518.8 | 1,517.85 |
| Low | 1,493.22 | 1,495.20 |
| Close | 1,511.58 | 1,499.88 |
| Volume | 5.74 b | 5.86 b |
| Pivot | 1,508.8 | 1,504.2 |
| 1 st Resis. | 1,524.4 | 1,513.3 |
| 2 nd Resis. | 1,534.4 | 1,526.8 |
| 1 st Supp. | 1,498.8 | 1,490.7 |
| 2 nd Supp. | 1,483.2 | 1,481.6 |
| Indicators | | |
| MACD | sell | sell |
| DM Index | Buy | buy |
| Stochastics | Sell | sell |

**Chart wise :**

.....**73%** of market volume on buying

Weekly Market Commentary :

Supported by solid earnings & merger activities, and small improvement in economy & job market, DJIA traded higher to a high of **11,580.80** in the week ended 23/12/2010 before settled at 11,573.50.

The gain in Wall Street sent a friendly signal to Bursa Malaysia last week, FBM KLCI recovered from low to trade higher with a week high of **1,518.8** before settled at **1,511.58**.

Last week, total market turnover was **5.74** billion shares compared to **5.86** billion shares in the preceding week; thus, the smaller market volume in an up close scenario suggested weaker buying power.

With a week high (1,518.8) higher than previous week high (1,517.15) and a low (1,493.22) lower than previous week low (1,497.20), can market continue to go upward ? The ability on the part of stock index to rebound from a lower low to a higher high scenario was an encouraging sign, and this showed the presence of buying support. If one were to take a closer look at the chart, the stock index hit the lower line of the upward sloping trend line, and aggressive traders quickly seized the opportunity to buy in anticipation of higher level. Furthermore, a downside violation of this lower line could trigger selling activity, that would subsequently lead to a shift in market trend from up to down if immediate supportive action were not taken.

The pull up was certainly a cheer to many traders and investors in a way that had helped to evade a possible panic selling, market **can thus be expected to trade sideways with upside bias this week.**

On examination of the market behaviour for the week ended 24/12/2010, the weekly **up close** of **1,511.58** helped to paint a friendly picture onto the chart with immediate **support** pegged at **1,490** and **overhead resistance** at **1,525** level.

A mathematical calculation showed that about **73 %** of the total market trading activity for week ended 24/12/2010 was on the **buying side** compared to **23 %** in the previous week.

Conclusion :

The market action(s) for week ended 24/12/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus be likely to go **above 1,518.8** .