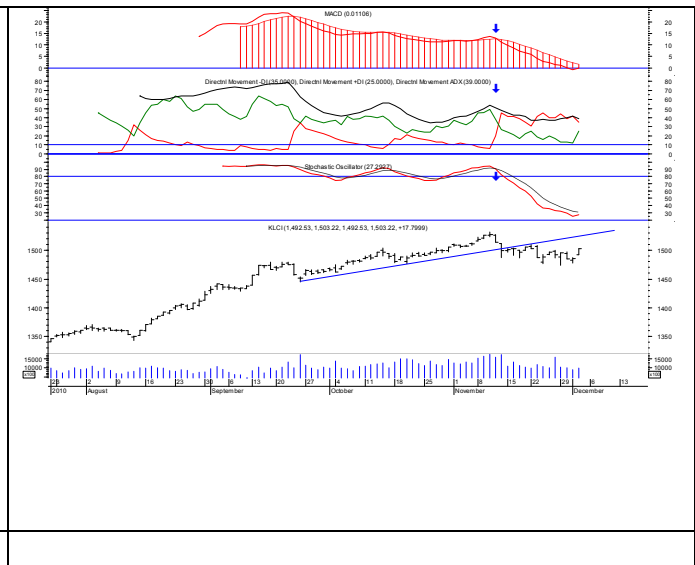




## Technical Analysis – Daily FBM KLCI

	2/12/2010	1/12/2010
Open	1492.53	1,482.69
High	1,503.22	1,487.67
Low	1,492.53	1,477.57
Close	1,503.22	1,485.42
Volume	979.2 m	886.2 m
<b>Market Breadth</b>		
Up	516	364
Down	245	366
Unchanged	296	296
<b>Indicators</b>		
MACD	Sell	Sell
DM Index	Sell	sell
Stochastics	Sell	sell



**Market was seen recharging itself to go upward for year end window dressing .....**

### Market Commentary :

Led by encouraging employment report and hopes that Europe's debt may get eased off, DJIA had on 1/12/2010 gained 249.76 points to close at **11,255.78**.

The triple-digit gain in Wall Street sent an immediate positive effect to Bursa Malaysia in the opening bell on 2/12/2010, FBM KLCI only traded to a day low of **1,492.53** as traders decided not to play on selling side in anticipation of higher market. In the absence of stronger selling pressure, renewed buying interest rolled in, this lifted market above 1,500 level to a day high of **1,503.22** before settled at **day high on last minute buying of selective blue chip**.

The **rise of 17.80** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Hong Leong Bank** (up RM0.21 to RM9.50), **KLK** (up RM0.42 to RM20.98), **AMMB** (up RM0.06 to RM6.25), **TM** (up RM0.01 to RM3.45) and **IOI Corp** (up RM0.01 to RM5.82).

### What was the chart saying .....

Market had on yesterday taken the strong lead from Wall Street with an upside gap to pull away from 1,480 level after experiencing 3 occasions of breaking below 1,480 level from 24/11/2010 to 1/12/2010. The gap up scenario was something interesting to be noted as it signified the urgency on the part of traders to buy stocks for another good reason – Year End Window Dressing.

It was indeed a surprise to see the market staging a sudden upward move on 2/12/2010 given the marginal up close in the preceding day (30/11/2010). **What was the market trying to tell ?** The way market carried itself seemed to be saying that certain traders had apparently seized the opportunity on the back of Wall Street gain to break away from 1,480 level, knowing the earlier trading sentiment was not so much in favour of buying, and any chance given to keep its low near to

1,480 level would risk a severe downside breakout, traders then would begin to get more jittery if there was no sufficient buying power to prop up the stock index in time.

**Why pushing the stock index over 1,500 level ?** 1,500 level is psychological level. By keeping the stock index above 1,500 level would help to leverage future buying strength when making attempt to lift the stock index higher.

**Where would the market go from here breaking away from 1,480 level ?** The intention at this juncture was seen clear to indicate that the selling done in the vicinity of 1,480 in the past 7 days was deemed enough to cool off the overheated market occurred from low of 1,476.56 (20/10/2010) to high of 1,531.99 (10/11/2010).

The bulls were seen with an upper hand over the bears yesterday (2/12/2010), and it would be interesting to see how these bulls re-align their bullish strategies to turn the market around to go up north in coming days. **Keeping in mind, the sell down on 23/11/2010 basically suggested that market has yet to come out from the sell-offs on 11/11/2010 and 12/11/2010.**

### **What were the strong hands doing .....**

A check of internal market strength on 2/12/2010 showed that buying strength **improved marginally** with strong hand(s) seen **acquiring a portion of buying positions**, and the net number of stock positions **established** from **30/11/2010 to 2/12/2010** was about **5% more than** what was **acquired** between 18/11/2010 and 22/11/2010.

### **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 2/12/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,503.22.**