

Technical Analysis – Weekly FBM KLCI

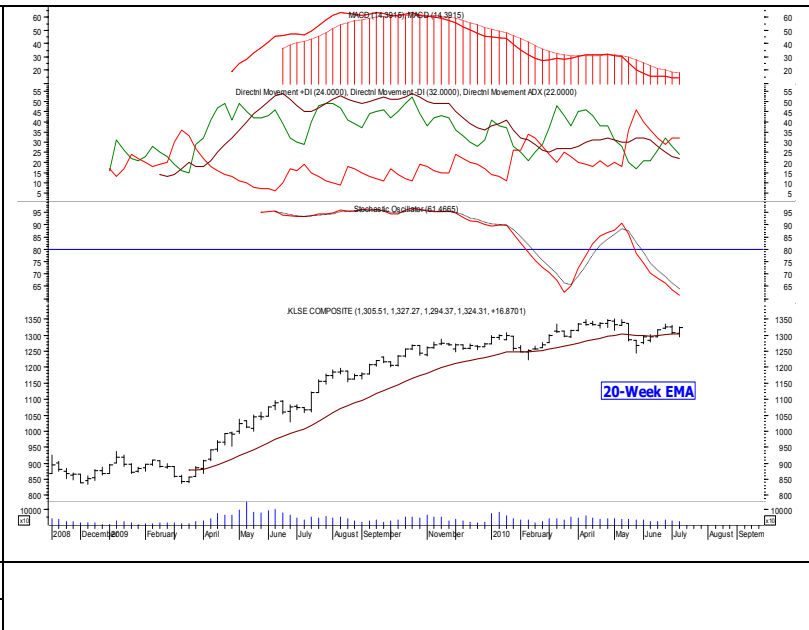
	9/7/10	2/7/10	
Open	1,305.51	1,326.06	
High	1,327.27	1,331.09	
Low	1,294.37	1,304.09	
Close	1,324.31	1,307.44	
Volume	2.80 bil	3.02 bil	
Pivot	1,315.3	1,314.2	
1 st Resis.	1,336.2	1,324.3	
2 nd Resis.	1,348.2	1,341.2	
1 st Supp.	1,303.3	1,297.3	
2 nd Supp.	1,282.4	1,287.2	
Indicators			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	sell	sell	

Chart wise : .

..... **65% of total weekly market trading activity was on buying side**

Weekly Market Commentary :

Led by better than expected initial jobless claim benefits last week and bargain hunting activity in anticipation of better earnings season after two weeks of heavy selling, DJIA climbed back up into 10,000 zone to reach a week high of 10,139.90 before settled at **high** for the week ended 8/7/2010.

The upward move in Wall Street sent a friendly sentiment to Bursa Malaysia, FBM KLCI rebounded from low of 1,294.37 into 1,300 zone to reach a week high of **1,327.27** as traders decided to change their game play from selling to buying before settled at **1,324.31** last week.

Total market turnover was **2.80** billion shares for week ended 9/7/2010 compared to **3.02** billion shares in the previous week, the **smaller market volume** in an up close scenario suggested **weaker selling pressure** in week ended 9/7/2010.

With a week high (1,327.27) lower than previous week high (1,331.09) and a lower low (1,294.37) than previous week low (1,304.09), can market continue to go upward ? The lower weekly high and lower weekly low last week (9/7/2010) with a settlement above the 20-week MA and above 1,300 level was friendly to the market development. The ability on the part of stock index to close above 1,300

level after an intra-week dip below 1,300 level in week ended 9/7/2010 was crucial as it helped to validate the earlier crossover of 1,300 level in week ended 18/6/2010.

On examination of the market behaviour for the week ended 9/7/2010, the weekly **up close** of **1,324.31** helped to paint a friendly picture onto the chart with **support** pegged at **1,300** and **overhead resistance** at **1,335** level.

A mathematical calculation showed that about **65 %** of the total market trading activity for week ended 9/7/2010 was on the **buying side** compared to the **15 %** in the previous week.

Conclusion :

The market action(s) for week ended 9/7/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus be making attempt to trade **above 1,327.27**.