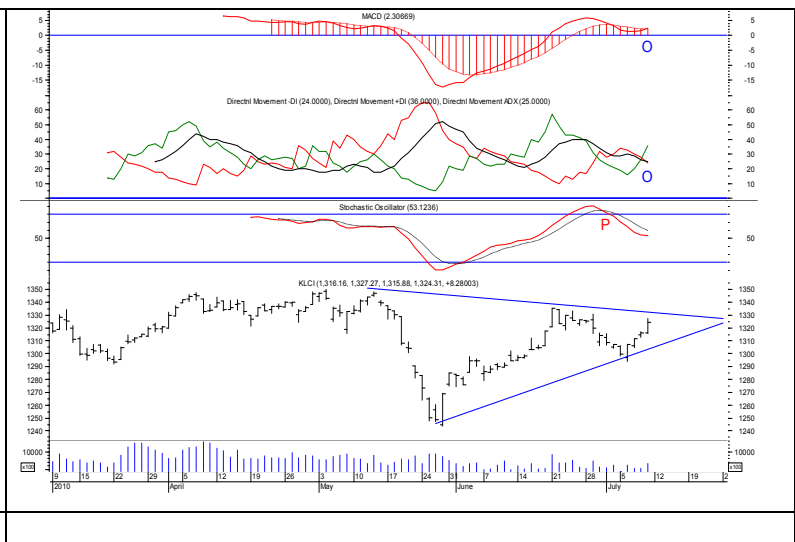


Technical Analysis – Daily FBM KLCI

	9/7/10	8/7/10
Open	1,316.16	1,314.62
High	1,327.27	1,317.05
Low	1,315.88	1,312.95
Close	1,324.31	1,316.03
Volume	664.3 m	532.6 m
Market Breadth		
Up	405	365
Down	238	242
Unchanged	276	275
Indicators		
MACD	buy	sell
DM Index	buy	sell
Stochastics	sell	sell



Hurdle can be expected at 1,335

Market Commentary :

Encouraged by US Labor Department's report of a larger than expected drop in the number of newly laid-off people seeking initial unemployment benefits last week, DJIA had on 8/7/2010 continued to stay above 10,000 level with another gain of 120.71 points to close at 10,138.99.

The triple-digit gain in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 9/7/2010, FBM KLCI only traded to a day low of **1,315.88** as traders decided to further play the market on the buying side in anticipation of higher level. Under greater buying support, stock index rose to a day high of 1,327.27 and kept its position on the high end throughout most of the trading sessions before settled at **1,324.31**.

The **rise** of **8.28** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **KLK** (up RM0.02), **CIMB** (up RM0.04), **Maybank** (up RM0.02), **Genm** (up RM0.02) and **HL Bank** (up RM0.14).

What was the chart saying

Market found a slightly better follow thru buying interest above 1,300 level last Friday (9/7/2010) on 3rd consecutive day after the near day high closing scenario in the preceding day (8/7/2010). The marginal increase in buying on 9/7/2010 was again expected as many traders were seen not convinced of the 1,300 level cross over that occurred on 6/7/2010 in addition to small market advance on 7/7/2010 while trying to analyse the truth behind the downside violation of 1,300 level on 5/7/2010.

A game change to sideways was believed to have taken place on 6/7/2010, because **bearish traders were not seen taking advantage of the weak market situation on 5/7/2010 to aggressively press the stock index down in the following day on 6/7/2010 when they**

had the upper hand to do so. But, somehow these bearish traders were held up for certain reason(s) which they themselves knew best this could thus be interpreted as a signal to other traders **NOT** to get overly bearish about the market at this juncture.

When can we see an end to this market uncertainty ? Firstly, the downside violation of 1,320 level on 29/6/2010 had already indicated higher degree of selling pressure in the market, and the external negative factor (fall in DJIA) had helped to expedite the selling pace to lower level (day low of 1,294.37 on 6/7/2010). Secondly, this market must re-establish itself above 1,300 level with good supportive play in coming days. **More importantly**, the negative image of market earlier attempt to "breakaway" to the upside on 29/6/2010 ended with greater selling pressure must be cleared mentally and **to follow by a higher market than 1,336 level on a decisive basis.**

The way market carried itself on 6/7/2010 suggested that the 32 points sharp rise on 18/6/2010 & 21/6/2010 had more or less been "**corrected**", and there is a high chance of seeing this market to test higher ground. **Of course, bearish traders' would still be sceptical about the market potential to go very far up.**

Ladies & gentlemen, market trading environment may be clouded by negative sentiment with many traders had chosen to stay sidelines; but, the higher lows and higher highs in the past 3 days (7/7/2010 - 9/7/2010) indicated a market with upward bias. **How high can this market go ? The market is moving towards the upper downward sloping line of a converging triangle pattern as drawn on the chart above. A consolidation is shaping up with resistance pegged at 1,336 level and market support at 1,294.**

What were the strong hands doing

A check of internal market strength on 9/7/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions**, the number of stock positions established on **9/7/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **24%** from **32%** in the preceding trading day (8/7/2010).

Conclusion :

Market outlook got friendlier in the short term with settlement on 9/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 9/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,327.27