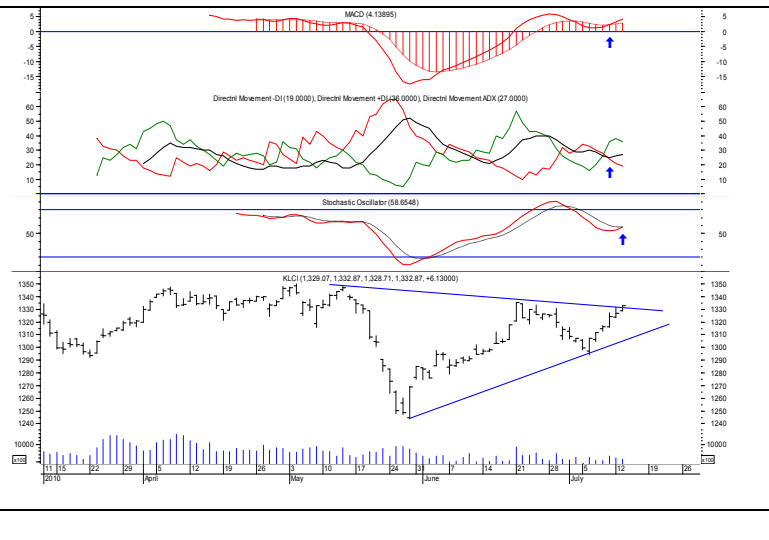


## Technical Analysis – Daily FBM KLCI

	13/7/10	12/7/10
Open	1,329.87	1,323.91
High	1,332.87	1,331.74
Low	1,328.71	1,323.55
Close	1,332.87	1,326.74
Volume	574.3 m	610.6 m
<b>Market Breadth</b>		
Up	363	371
Down	284	265
Unchanged	289	277
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	sell



**Towards a high higher than 1,335.31.....**

### Market Commentary :

In anticipation of a cautious waiting for coming 2<sup>nd</sup> quarter earnings reports, DJIA had on 12/7/2010 registered a gain of 18.24 points to close at 10,216.27.

The marginal double-digit gain in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 13/7/2010, FBM KLCI only traded to a day low of **1,328.71** as traders were seen reluctant to sell down the market. In the absence of stronger selling pressure, renewed buying interest rolled in, this lifted stock index to a day high of **1,332.87** before settled at **day high**.

The **rise** of **6.13** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.01), **CIMB** (up RM0.03), **Maybank** (up RM0.02), **Axiata** (up RM0.01) and **HLBank** (up RM0.08).

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

Market found light follow thru buying interest above 1,300 level yesterday (13/7/2010) after the up close scenario in the preceding day (12/7/2010). The **decrease** in buying on 13/7/2010 was again not a surprise as majority of traders were not convinced of the market strength that had taken this market to this high even since the 1,300 level cross over on 6/7/2010, **Why ?** Because these traders were still seen shaken up by 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.

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**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.**

On 12/7/2010, the market hit the downward sloping upper line of the triangle pattern, followed by a higher high the next day (13/7/2010). **Given such a friendly market scenario, traders should be staging another follow thru buying today (14/7/2010) if traders with winning trades do not choose to lock in a portion of their profits.**

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

A check of internal market strength on 13/7/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions**, the number of stock positions established on **13/7/2010** added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **20%** from **15%** in the preceding trading day (12/7/2010).

### **Conclusion :**

**Market outlook got friendlier in the short term with settlement on 13/7/2010 above 50-day moving average.**

**The analysis of overall daily market action(s) on 13/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,332.87**