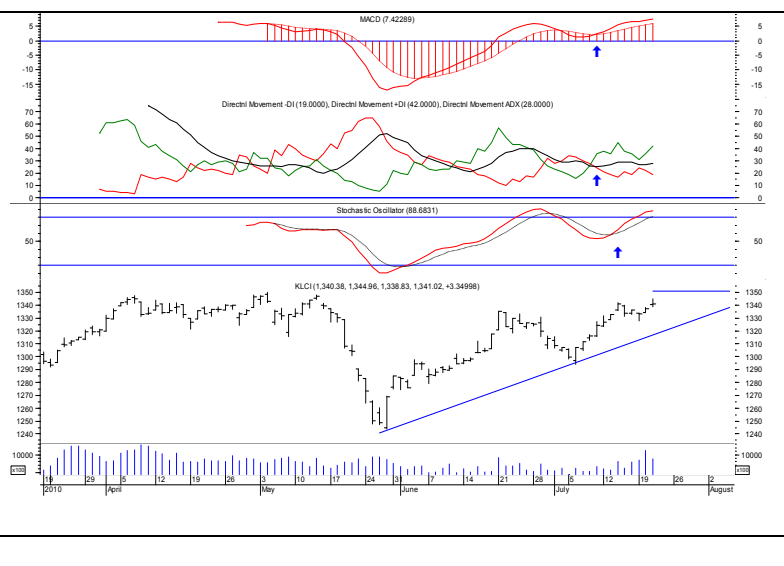


## Technical Analysis – Daily FBM KLCI

	21/7/2010	20/7/2010
Open	1,340.38	1,334.53
High	1,344.96	1,338.68
Low	1,338.83	1,334.53
Close	1,341.02	1,337.67
Volume	874.8 m	1,126 m
<b>Market Breadth</b>		
Up	442	466
Down	298	278
Unchanged	277	250
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



**The attempt(s) to go above 1,350 still on .....**

### Market Commentary :

Supported by earnings result that did not look quite as bad as first thought, DJIA had on 20/7/2010 gained 75.53 points to close at 10,229.96.

The double-digit gain in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 21/7/2010, FBM KLCI gapped up with a day low of **1,338.83** as traders chose to play a buying game in anticipation of higher market. Under greater buying interest, market crossed over immediate high of 1,341.96 (14/7/2010) to reach a day high of **1,344.96** before settled at **1,341.02**.

The **rise** of **3.35** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up RM0.01), **Genting** (up RM0.04), **CIMB** (up RM0.09), **Maybank** (up RM0.03) and **KLK** (up RM0.42).

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

Market saw follow thru buying interest with day low above 1,330 level yesterday (21/7/2010) given an up close scenario in the preceding day (20/7/2010). It was no surprise to see this market making a higher high on 21/7/2010 as the ability to stay above 1,324 level on 19/7/2010 and 20/7/2010 indicated the presence of certain amount of buying support even though the market was expected (prior 20/7/2010) to undergo selling pressure after the winning streak for 7 days (6/7/2010 – 14/7/2010). And, the selling pressure that showed up on 19/7/2010 was believed to be a portion of liquidated stock positions which was purchased on 16/7/2010.

**With market broke above 1,335.31 (21/6/2010) into 1,340 zone on 14/7/2001, did it mean an end to this market uncertainty ?** To the least extent, we saw a market recovering

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back up above 1,320 level which was violated on the downside on 29/6/2010, this constituted an encouraging sign. Furthermore, the market volume at **801.6** shares on 14/7/2010 was also higher than the 20-day moving average market volume of **614 million** shares. **An end to market uncertainty ?** Not sure about that; but, the better buying interest on 14/7/2010 should pave the way for more upside.

**So, market took a down move on 15/7/2010, how low can the stock index go ?** Since this market decided to take an early correction before hitting 1,350 level on 15/7/2010, the immediate market support level would be 1,320 – 1325 level. **Now**, with this market holding its position above 1,324 level on 19/7/2010 & 20/7/2010, a faster buying pace to push this market higher than 1,350 level remained on the card.

**How supportive can this 1,324 level be in keeping this market afloat ?** Well, the lows in the past 2 days (19/7/2010 —20/7/2010) were not lower than 1,324 despite the weak external market performance, this somehow gave an indication that there was a general friendly expectation at 1,324. **The ability to bounce off 1,324 plus a higher high under greater market volume should reinforce what had taken place on 14/7/2010. Moreover, the retreat from 1,341 to 1,327 (19/7/2010) helped to alleviate the uncomfortable emotional pressure that had built up from low of 1,294 (6/7/2010) to 1,341 (14/7/2010).**

With a higher high market scenario on 20/7/2010, **where can we expect to see resistance in this market ?** **1,365 level** is envisaged as a hurdle for KLCI in the immediate short term.

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

A check of internal market strength on 21/7/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions**, the number of stock positions established on **21/7/2010** added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **41%** from **38%** in the preceding trading day (20/7/2010).

### **Conclusion :**

**Market outlook remained friendly in the short term with settlement on 21/7/2010 above 50-day moving average.**

**The analysis of overall daily market action(s) on 21/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,344.96.**