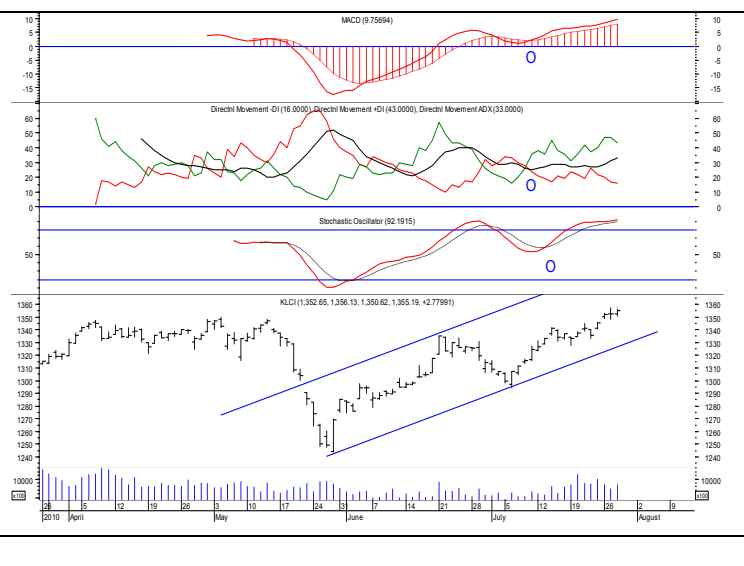


Technical Analysis – Daily FBM KLCI

	28/7/2010	27/7/2010
Open	1,352.65	1,352.47
High	1,356.13	1,357.23
Low	1,350.62	1,351.81
Close	1,355.19	1,352.41
Volume	847.1 m	731.6 m
Market Breadth		
Up	445	308
Down	264	381
Unchanged	278	285
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Keeping above 1,350 with an eye to 1,365

Market Commentary :

Led by reported strong earnings from DuPont Co., amid consumer pessimism, DJIA had on 27/7/2010 gained 12.26 points to close at 10,537.69.

The small double-digit gains in Wall Street provided a friendly trading sentiment signal to Bursa Malaysia in the opening bell on 28/7/2010, FBM KLCI only traded to a day low of 1,350.62 as traders decided not to stage selling pressure into the game. In the absence of stronger selling pressure, renewed buying support rolled in, and this lifted stock index to a high of **1,356.13** before settled at **1,355.19**.

The **rise** of **2.96** point in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Genting** (up RM0.10), **CIMB** (up RM0.09), **HL Bank** (up RM0.01), **GenM** (up RM0.02) and **Proton** (up RM0.07).

What was the chart saying

Market saw light supportive buying above 1,350 level yesterday (28/7/2010) with an attempt to test day high of 1,357.23 (27/7/2010); but, it could not find stronger buying support to lift the stock index higher despite the up close scenario in the preceding day (27/7/2010). The higher low and lower high market move on 28/7/2010 helped to create an inside day bar, this implied trading uncertainty scenario, and there was a battle between bull and bear to fight for control. Many bullish traders were seen taking a small break after the recent minor run up from 1,332.92 (22/7/2010) to 1,357.23 (27/7/2010).

On 27/7/2010, KLCI traded to a day high of 1,357.23 with bullish traders trying to make a case that the bull would continue; but, market ended with a marginal up close. **At a day high of 1,357.23**

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on 27/7/2010, market was merely 8 points away from 1,365 resistance level, this probably explained why there was a strong selling pressure in the vicinity of 1,357, and unwillingness on the part of bullish traders to aggressively push the market upward. Or put it simply, this market is beginning to enter a sideways phase with a small downward bias as traders with winning traders would likely be choosing to lock in a portion of their profits, after all putting in money into the pocket is always safer than profit on paper.

This is not to say that market would not go up anymore from present level, bear in minds there is not such thing as "sure thing" in stock market, and attempt(s) to prop up the market higher nearer to 1,365 level can still be seen

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 28/7/2010 showed that buying strength improved with strong hand(s) seen acquiring a small portion of buying positions, the number of stock positions established on 28/7/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 38% from 39% in the preceding trading day (27/7/2010).

Conclusion :

Market outlook remained friendly in the short & medium term with settlement on 28/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 28/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,356.13.