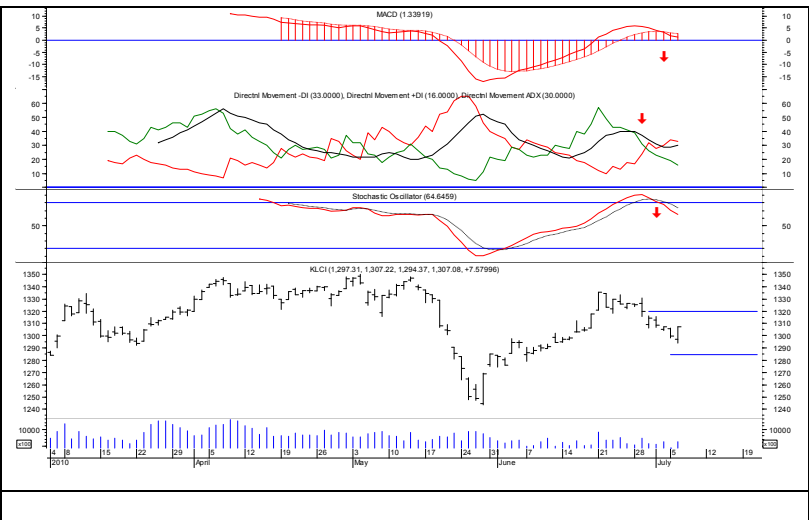


## Technical Analysis – Daily FBM KLCI

	6/7/10	5/7/10	
Open	1,297.31	1,305.51	
High	1,307.22	1,306.03	
Low	1,294.37	1,298.14	
Close	1,307.08	1,299.50	
Volume	622.0 m	449.5 m	
<b>Market Breadth</b>			
Up	405	182	
Down	195	425	
Unchanged	273	270	
<b>Indicators</b>			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	sell	sell	

### Technical rebound in the making .....

#### Market Commentary :

Wall Street was on Public Holiday!

Taking cue from previous day down close at 1,299.5, Bursa Malaysia traded lower in the opening bell on 6/7/2010, FBM KLCI subsequently went down to a day low of **1,294.37** as traders continued to play on selling side in anticipation of lower market. However, weak follow thru selling in area of **1,294.37** prompted light renewed buying support, this lifted stock index back up above 1,300 level to a day high of **1,307.22** before settled at **1,307.08**.

The **rise of 7.58** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB (up RM0.03)**, **HL Bank (up RM0.02)**, **Maybank (down RM0.01)**, **Genm (up RM0.01)** and **Genting (up RM0.21)**.

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

Market came under pressure to go lower yesterday (6/7/2010) after the downside violation of 1,300 level in the preceding day (5/7/2010). In fact, market sentiment became worse when a general expectation that this market would hold up for a little while first at 1,300 psychological level failed to materialize. However, **bearish traders were not seen taking advantage of the weak market situation to aggressively press the stock index down on 6/7/2010 with selling steam remained cautious on fear of a snap market rebound** ..... this provided an opportunity to some risk taking traders to establish stock positions..

The sell down to **1,294.37** on 6/7/2010 was not a surprise, because 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 helped to expedite the selling pace to lower level. **Like what we had said in our marker report on 29/6/2010**, this market would not look "healthy" if the stock index

were to continue to drag its feet in such a lacklustre manner as this would create a higher tendency for traders to play a selling game.

**Why didn't the market trade higher on 6/7/2010 ?** It was nothing more than expectation of a weakening market. Furthermore, the market attempt to "breakaway" to the up on 29/6/2010 ended with greater selling pressure continued to work in traders' mind psychologically.

**Will this be an indication of more buying today (7/7/2010) ?** What happened on 29/6/2010 was basically the result of inability on the part of traders to prop up the market higher than 1,336 level (24/6/2010) prior to the inside day bar pattern on 28/6/2010. Of course, bearish traders' scepticism about the market potential to go very far up, and also the 32 points sharp rise on 18/6/2010 & 21/6/2010 had also played their roles in capping the market to the upside. [Market was oversold, and in view of how the market carried itself on 6/7/2010, this market looked set to further stage a technical rebound.](#)

**With market traded down to a day low of 1,294.37 on 6/7/2010, what would likely happen to the market now ?** The lower low market scenario on 30/6/2010 was indeed not a friendly sign ..... resistance pegged at 1,320 level with new market support expected at 1,285. [Market volume was bigger yesterday compared to that of preceding day \(5/7/2010\) with 405 advancers against 195 decliners. Something had come out to change what was taking place from 22/6/2010 to 5/7/2010.](#)

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

A check of internal market strength on 6/7/2010 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a portion of buying positions***, the number of stock positions established on ***6/7/2010*** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to ***38%*** from ***50%*** in the preceding trading day (5/7/2010).

## Conclusion :

The **short term** market outlook turned negative with **medium term** remained fragile.

**The analysis of overall daily market action(s) on 6/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,307.22.**