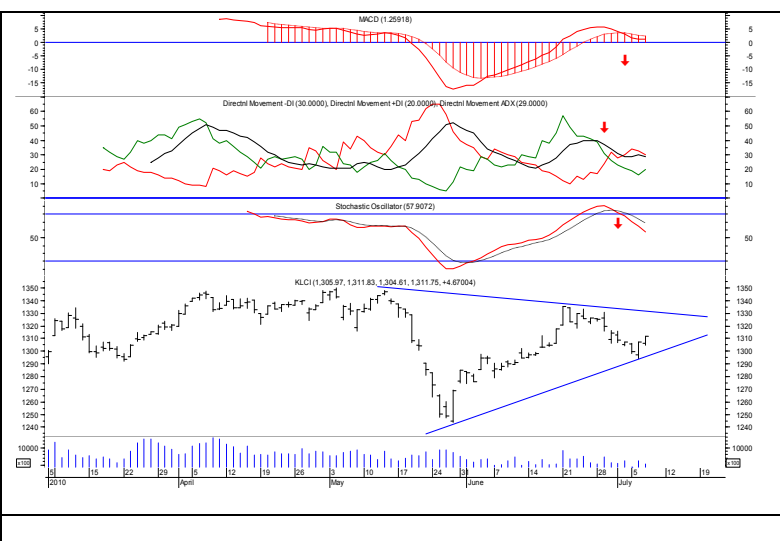


## Technical Analysis – Daily FBM KLCI

	7/7/10	6/7/10	
Open	1,305.97	1,297.31	
High	1,311.83	1,307.22	
Low	1,304.61	1,294.37	
Close	1,311.75	1,307.08	
Volume	539.6 m	622.0 m	
<b>Market Breadth</b>			
Up	275	405	
Down	307	195	
Unchanged	272	273	
<b>Indicators</b>			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	sell	sell	

**Range bound between 1,336 and 1,294 .....**

### Market Commentary :

Led by bargain hunting activity in High-Tec and oil stocks with good valuation, DJIA had on 6/7/2010 gained 57.14 points to 9,743.62.

The double-digit gain in Wall Street helped to lift Bursa Malaysia in the opening bell on 7/7/2010, FBM KLCI only traded to a day low of **1,304.61** as some traders chose to play on selling side. However, weak follow thru selling pressure in area of **1,304.61** prompted renewed buying interest to roll in, this lifted stock index to a day high of **1,311.83** before settled at **1,311.75**.

The **rise** of **4.67** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp** (up RM0.04), **TM** (up RM0.04), **KLK** (up RM0.02), **Sime Darby** (up RM0.14) and **Genting** (up RM0.11).

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

Market found a little follow thru buying interest above 1,300 level yesterday (7/7/2010) after the strong close in the preceding day (6/7/2010). The weaker buying on 7/7/2010 was somehow expected as many traders were seen not convinced of the 1,300 level cross over that occurred on 6/7/2010 while trying to analyse the truth behind the downside violation of 1,300 level on 5/7/2010. **Traders are beginning to get a little confuse of the market direction .....**

Well, it is hard to make a confirmation of where this market will be heading given such a mixed market scenario .....

Time is obviously needed here.

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**

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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 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.**

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.**

**With market traded down to a day low of 1,294.37 on 6/7/2010, what would likely happen to the market now ?** Resistance pegged at 1,336 level with market support at 1,294 expected. Market volume was smaller yesterday compared to that of preceding day (6/7/2010) with **275** advancers against **307** decliners..

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

A check of internal market strength on 7/7/2010 showed that buying strength **improved marginally** with strong hand(s) seen **acquiring a small portion of buying positions**, *the number of stock positions established on 7/7/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **37%** from **38%** in the preceding trading day (6/7/2010).*

## **Conclusion :**

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

**The analysis of overall daily market action(s) on 7/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,311.83.**