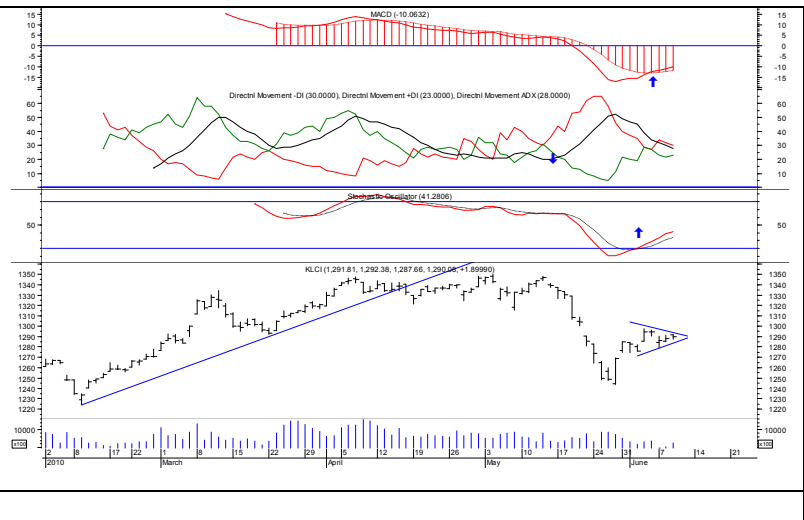


## Technical Analysis – Daily FBM KLCI

	9/6/2010	8/6/2010	
Open	1,291.81	1,285.78	
High	1,292.38	1,290.80	
Low	1,287.66	1,285.07	
Close	1,290.08	1,288.18	
Volume	629.8	521.0 m	
<b>Market Breadth</b>			
Up	344	349	
Down	266	271	
Unchanged	260	221	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	sell	sell	
Stochastics	buy	buy	

**To see a breakout of pennant pattern .....**

### Market Commentary :

Supported by Federal Reserve's Chairman Ben Bernanke saying of not expecting US economy to go back into recession, DJIA had on 8/6/2010 gained 123.49 points to close at 9,939.98.

The triple-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 9/6/2010. FBM KLCI only traded to a day low of **1,287.66** as traders were seen not comfortable to play on selling side. In the absence of stronger selling pressure, light renewed buying support rolled in, this lifted stock index to a day high of **1,292.38** before settled at **1,290.08**.

The single-digit **rise** of **1.90** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.01), **Tenaga Nasional** (up RM0.05), **KLK** (up RM0.08), **Genting** (up RM0.03) and **Sime** (up RM0.01).

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

Market continued to keep its low above 1,280 level (9/6/2010) after the up close in the preceding day (8/6/2010). And, it was no surprise to see little follow thru buying pressure on 9/6/2010, because the higher high on 8/6/2010 would usually provide the visible sign to buy the next trading day. Again, there was no sign of aggressive supportive buying interest to lift the market higher on 9/6/2010. **Was it an indication of a change in game play from buying in the previous day to selling yesterday ?** The market scenario we observed in the last 2 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 9/6/2010.

**Why did the market trade higher on 9/6/2010 ?** Some traders were believed to have continued taken certain amount of risk to establish buying positions in anticipation of something friendly to happen even though they may have found themselves a little unsure of market direction on 4/6/2010 & 7/6/2010. In fact, the fall to a day low of 1,278.89 on 7/6/2010 was viewed a

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technical pullback of stock index after making the 50% retracement move at 1,296 level measuring on 2/6/2010 from high of 1,349 to low of 1,243 on 3/6/2010.

**Ladies & gentlemen**, we had said in our market report dated 1/6/2010 that " ... **How far can this minor rally go ?** The upside violation of 1,280 level on 31/5/2010 was certainly a positive thing to happen, and the market was believed to be gearing up towards 1,295 - 1,300 level."

**Again, on 2/6/2010, we continued to say that " ....With market traded downward on 1/6/2010, can the market go up again ?** In fact, the market was expected to find resistance in area of 1,280 level before moving higher on 31/5/2010; but, somehow there was "additional" risk-taking buying interest on 31/5/2010. *The rise of 42 points represented about 40% retracement from high of 1,349 to 1,243; thus, this market could still make attempt(s) to test 1,296 level for a 50% retracement calculation.*"

Market had come up this high (1,297.75 on 3/6/2010) ... it may seem an easy meat for stock index to cross over 1,300 level as the gap between 1,300 and the day high of 1,297.75 was merely 2.25 points. **But**, we must remember that 1,300 level had been a psychological hurdle all this while in the eyes of traders and investors. Furthermore, the phenomenon of downside breakout of 1,300 level on 21/5/2010 with lower low bar on 21/5/2010, and the unfilled downside gap left behind on 21/5/2010 would continue to haunt traders' mind.

**With the upside gap created on 3/6/2010 filled on 7/6/2010, what would likely happen to the market now ?** A sideways market should be shaping up while waiting for next breakout with resistance pegged at 1,300 and support 1,270.

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

A check of internal market strength on 9/6/2010 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 9/6/2010 helped to improve the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to *31%* from *32%* in the preceding trading day (8/6/2010).

## Conclusion :

The *short and medium term* market outlook remained weak.

*The analysis of overall daily market action(s) on 9/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,287.66 after making attempt to go higher than 1,292.38.*