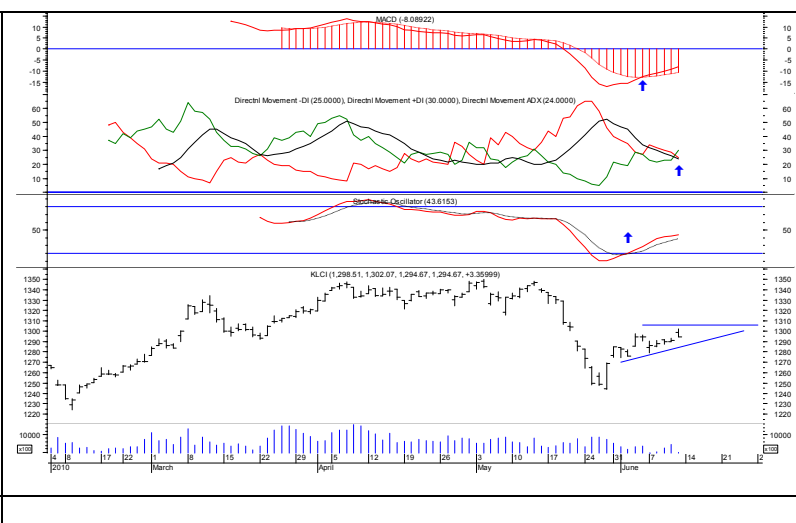


## Technical Analysis – Daily FBM KLCI

	11/6/2010	10/6/2010	
Open	1,298.51	1,289.72	
High	1,302.07	1,293.27	
Low	1,294.67	1,289.71	
Close	1,294.67	1,291.31	
Volume	501.7 m	733.2 m	
<b>Market Breadth</b>			
Up	380	261	
Down	193	280	
Unchanged	282	290	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	sell	
Stochastics	buy	buy	

### Lacking Buying Confidence .....

#### Market Commentary :

Encouraged by news of China's export jump by 48.5% in May 2010 and drop in total claims for unemployment benefits last week, DJIA had on 10/6/2010 gained 273.28 points to close at 10,172.53.

The triple-digit rise in Wall Street sent a positive signal to Bursa Malaysia in the opening bell on 11/6/2010. FBM KLCI gapped up to trade into 1,300 zone with a day high of **1,302.07**, highest level since 21/5/2010 as traders took the chance to play on buying side. However, weak follow through buying support in area of 1,302, pre-weekend profit taking activity rolled in, this pushed stock index back down below 1,300 level at day low of **1,294.67** before settled at **day low**.

The single-digit **rise** of **3.36** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB (up RM0.01)**, **PB Bank (up RM0.04)**, **Genting (up RM0.04)**, **Parkson (up RM0.02)** and **Axiata (up RM0.08)**.

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

Having stayed supportive above 1,280 level in the past 3 days (8/6/2010 – 10/6/2010), market crossed over 1,300 level last Friday (11/6/2010) on intra-day basis. It was indeed a surprise to see the sudden and easy crossover on 11/6/2010 even though the higher high on 10/6/2010 may have continued to provide a visible indicator for traders to buy the next trading day (11/6/2010). Of course, market could not find its footing in 1,300 zone in the face of weak buying interest, **why ?** [Stock trading has a lot to do with confidence .... without confidence of seeing a potential market rise, any attempt\(s\) to push market into higher ground would eventually be proven futile.](#)

**Was this an indication of a change in game play from buying in previous day to selling today (14/6/2010) ?** The overall market scenario we observed in the last 4 days basically implied

that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 11/6/2010. Stock index would trade in the triangle pattern.

**Why did the market trade higher on 11/6/2010 ?** To some risk taking traders, the fall to a day low of 1,278.89 on 7/6/2010 was viewed a 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. These traders thought that once the pull back was done, market should resume trading higher than 1,297.75 (3/6/2010).

**Can market cross over 1,300 hurdle again ?** What we saw on chart now was higher highs and higher lows since 31/5/2010, and that was a friendly market development. Thus, market could still make more attempts to break into 1,300 level again .... While these market changes are linked up into inter-locking trend structure of various waves of market movement; but, traders must be convinced of greater market participation before parting their monies into stock market.

**Ladies & gentlemen**, we had said in our market report dated 2/6/2010 that "**.... 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.* (FYI, market rose to a day high of 1,297.75 on 3/6/2010).

**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 11/6/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a small portion of buying positions**, the number of stock positions acquired on **11/6/2010** added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **40%** from **39%** in the preceding trading day (10/6/2010).

## Conclusion :

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

**The analysis of overall daily market action(s) on 11/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1.294.67.**