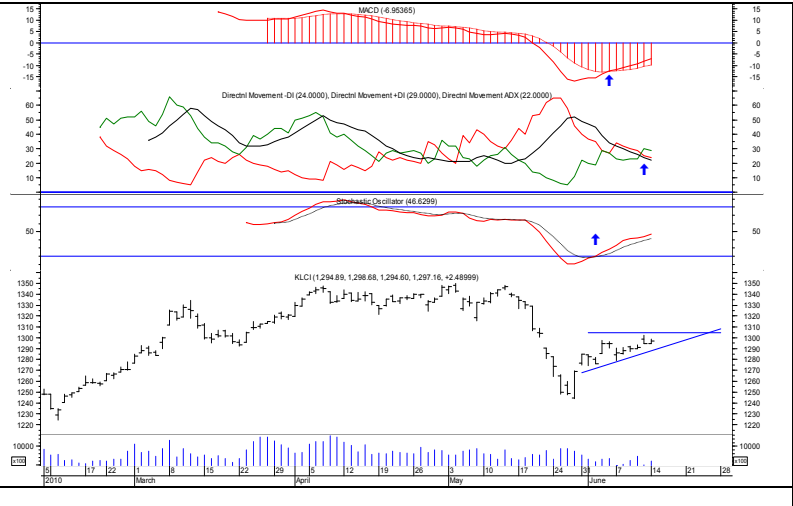


## Technical Analysis – Daily FBM KLCI

	14/6/2010	11/6/2010	
Open	1,294.89	1,298.51	
High	1,298.68	1,302.07	
Low	1,294.60	1,294.67	
Close	1,297.16	1,294.67	
Volume	502.1 m	501.7 m	
<b>Market Breadth</b>			
Up	302	380	
Down	242	193	
Unchanged	269	282	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

**Still within triangle .....**

### Market Commentary :

Supported by ease of fears on global growth amid US 1.2% monthly drop retail sales for May 2010 , DJIA had on 11/6/2010 gained 38.54 points to close at 10,211.07.

The double-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 14/6/2010 with FBM KLCI only traded to a day low of **1,294.60** as traders were seen reluctant to stage an immediate follow thru selling pressure. In the absence of stronger selling pressure in area of 1,294.60, light renewed buying support rolled in, this lifted stock index to a day high of **1,298.68** before settled at **1,297.16**.

The single-digit **rise** of **2.49** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Maybank** (up RM0.02), **IOI Corp** (up RM0.03), **Genting** (up RM0.02), **TM** (up RM0.01) and **Sime Darby** (up RM0.01).

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

Having failed to stay in 1,300 zone last Friday (11/6/2010), market could not find the strength to climb back up as there seemed to have no good reason to prop up the stock index at this moment. It was indeed a surprise to see no immediate follow thru selling pressure yesterday given the visible weak market signal on 11/6/2010.

**Was this an indication of a change in game play from buying yesterday to selling today (15/6/2010) ?** The overall market scenario we observed in the last 5 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 14/6/2010.

**Why didn't the market trade higher on 14/6/2010 ?** Stock trading has a lot to do with confidence ..... without confidence of seeing a potential market rise, any attempt(s) to push market

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into higher ground would eventually be proven futile even though the fall to a day low of 1,278.89 on 7/6/2010 was viewed a technical pullback by some traders to trade upside 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.

**Can market cross over 1,300 hurdle again ?** What we saw on chart now was higher highs and higher lows since 31/5/2010 (except 14/6/2010), 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 14/6/2010 showed that buying strength ***improved*** with strong hand(s) seen *acquiring a small portion of buying positions*, the number of stock positions ***acquired*** on ***14/6/2010*** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to ***38%*** from ***40%*** in the preceding trading day (11/6/2010).

## Conclusion :

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

**The analysis of overall daily market action(s) on 14/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,298.68.**