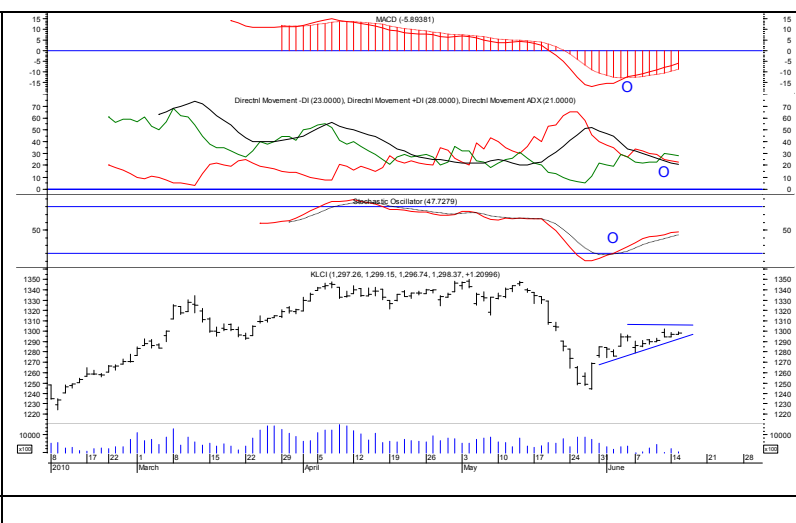


Technical Analysis – Daily FBM KLCI

	15/6/2010	14/6/2010	
Open	1,297.26	1,294.89	
High	1,299.15	1,298.68	
Low	1,296.74	1,294.60	
Close	1,298.37	1,297.16	
Volume	511.8 m	502.1 m	
Market Breadth			
Up	296	302	
Down	291	242	
Unchanged	270	269	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Waiting for a catalyst to trigger.....

Market Commentary :

Concerns over Europe's government spending cut would hurt its economies and financial haul in USA, DJIA had on 14/6/2010 lost 20.11 points to close at 10,190.89.

The double-digit drop in Wall Street did not send negative signal to Bursa Malaysia in the opening bell on 15/6/2010 with FBM KLCI only traded to a day low of **1,296.74** as traders were seen reluctant to play an aggressive selling game. In the absence of stronger selling pressure in area of **1,296.74**, renewed buying support rolled in, this lifted stock index higher to a day high of **1,299.15** before settled at **1,298.37**.

The single-digit **rise** of **1.21** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Maybank** (up RM0.01), **Genm** (up RM0.01), **Genting** (up RM0.11), **TM** (up RM0.02) and **Public Bank** (up RM0.04).

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 above 1,300 level again on 15/6/2010 as there seemed to have no good reason for traders to prop up the stock index at this moment. Thus, it was no surprise to see non-follow thru aggressive buying pressure yesterday given the visible weak market volume on 14/6/2010.

Was this an indication of a change in game play from buying yesterday to selling today (16/6/2010) ? The overall market scenario we observed in the last 6 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 15/6/2010.

Why didn't the market trade higher on 15/6/2010 ? 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 & 15/6/2010) was considered 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 15/6/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a small portion of buying positions**, the number of stock positions **liquidated** on **15/6/2010** added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **39%** from **38%** in the preceding trading day (14/6/2010).

Conclusion :

The short and medium term market outlook remained weak.

The analysis of overall daily market action(s) on 15/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,299.15.