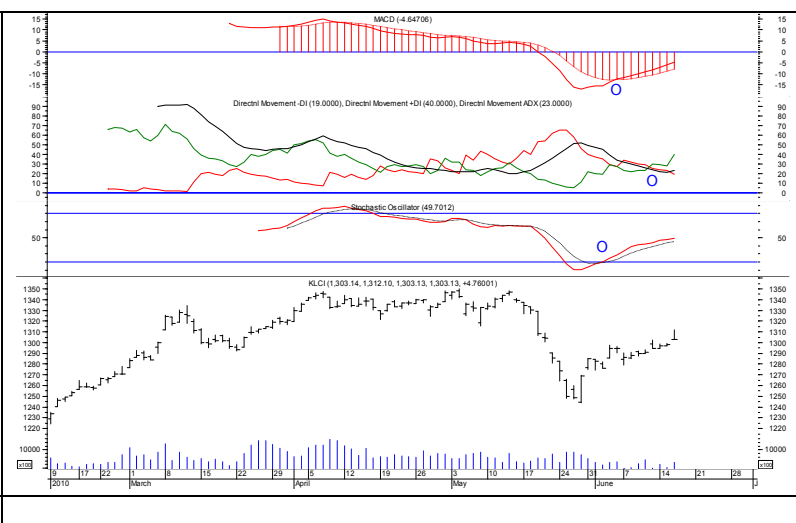


## Technical Analysis – Daily FBM KLCI

	16/6/2010	15/6/2010	
Open	1,303.14	1,297.26	
High	1,312.10	1,299.15	
Low	1,303.13	1,296.74	
Close	1,303.13	1,298.37	
Volume	662.8 m	511.8 m	
<b>Market Breadth</b>			
Up	494	296	
Down	174	291	
Unchanged	240	270	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

**Could not find sustainability .....**

### Market Commentary :

Led by an industry forecast of increase demand for computers and report of boosting production Boeing 737 jet by Boeing Co., DJIA had on 15/6/2010 gained 213.88 points to close at 10,404.77.

The triple-digit gain in Wall Street rendered a strong helping hand to Bursa Malaysia in the opening bell on 16/6/2010 with FBM KLCI gapped up to cross into 1,300 zone to reach a day high of **1,312.10** as traders rushed to establish stock positions in anticipation of higher market. However, profit taking activity rolled in, this pushed stock index to go down to 1,303.13 before settled at **day low**.

The single-digit **rise** of **4.76** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby (up RM0.06)**, **Genm (up RM0.03)**, **CIMB (up RM0.05)**, **Tenaga Nasional (up RM0.01)** and **Public Bank (up RM0.06)**.

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

Having stayed supportive above 1,290 level in the previous 2 trading days (13/6/2010 & 14/6/2010) after the weak close on 11/6/2010, market traded higher than immediate high of 1,302.07 (11/6/2010) with an upside gap yesterday (16/6/2010) on the back of external market gains as traders were prepared to take the chance to buy up the market.

**Was this an indication of more buying into today's market (17/6/2010) ?** The gapped up scenario on 16/6/2010 was undoubtedly an encouraging sign as it suggested the urgency on the part of traders to establish stock positions. However, the overall market scenario observed in the last 7 days (7/6/2010 – 16/6/2010) basically implied the preferences of many traders to stay sidelines with profit taking activity on winning trades seen capping the market advance on 16/6/2010.

Market trading environment may have still pointed to bearish play; but, the willingness to take a buying risk on 16/6/2010 somehow had helped to change the bearish market picture to a slight friendly environment.

**Why did the market trade higher on 16/6/2010 ? Did it mean the return of buying confidence ?** 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. **Market volume on 16/6/2010 was low, and this indicated a cautious play**, this could lead other traders to curtail their expectation for stronger upward move.

**Can market stay above 1,300 level ?** 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. 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.

**With the upside breakaway gap created on 16/6/2010, what would likely happen to the market now ?** The upside breakaway from the small platform of 1,275 and 1,302 may have tilted a shift towards upside direction; but, sideways still seen prevail with resistance pegged at 1,305 and support 1,290.

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

A check of internal market strength on 16/6/2010 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a small portion of buying positions***, the number of stock positions ***established*** on ***16/6/2010*** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to ***33%*** from ***39%*** in the preceding trading day (15/6/2010).

## **Conclusion :**

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

**The analysis of overall daily market action(s) on 16/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,303.13.**