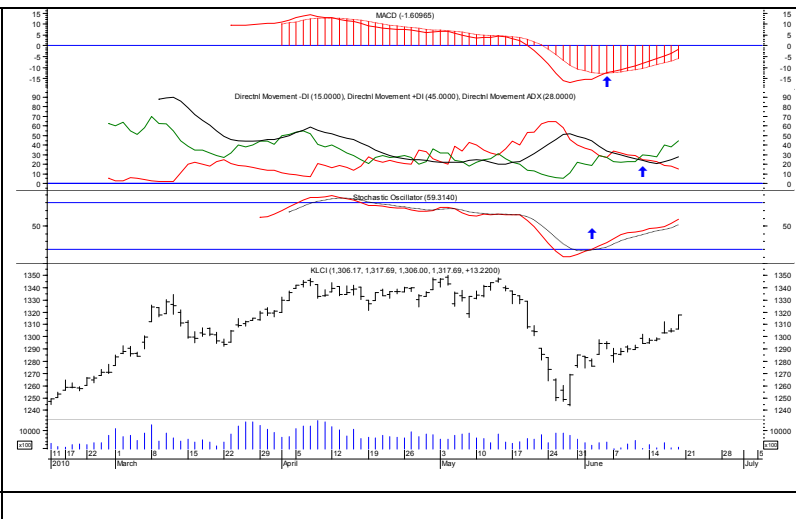


Technical Analysis – Daily FBM KLCI

	18/6/2010	17/6/2010
Open	1,306.17	1,304.5
High	1,317.69	1,306.93
Low	1,306.00	1,303.74
Close	1,317.69	1,304.47
Volume	537.7 m	516.4 m
Market Breadth		
Up	416	295
Down	193	277
Unchanged	278	294
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



A shift in trading psychology.....

Market Commentary :

Despite the recent disappointing economic reports of number of people seeking unemployment benefits, DJIA had on 17/6/2010 gained 24.71 points to close at 10,434.17..

The double-digit gain in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 18/6/2010, FBM KLCI only traded to a low of 1,306 as traders were seen not comfortable to play on selling side. In the absence of stronger selling pressure, renewed buying interest rolled in, this lifted market above immediate high of 1,312.10 (16/6/2010) to reach a day high of **1,317.69** before settled at **day high**.

The double-digit **rise** of **13.22** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.07), **Maybank** (up RM0.05), **CIMB** (up RM0.02), **Tenaga Nasional** (up RM0.45) and **HL Bank** (up RM0.04).

What was the chart saying

Having managed to "steal" a seat above 1,300 level on 17/6/2010 in spite of a weak day low closing on 16/6/2010, market found the "ohm" to trade higher last Friday (18/6/2010) on external factor under the hidden help of the supportive move on 17/6/2010 to contain the selling sentiment on 16/6/2010.

Was this an indication of more buying into today's market (21/6/2010) ? 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 8 days (7/6/2010 – 17/6/2010) basically implied the preferences of many traders to stay sidelines with profit taking activity on winning trades seen capping the market advance on 17/6/2010. However, this market was seen in position to go higher level on the back of improved market psychology.

Ladies & gentlemen, outside market noises may continue to haunt traders' mind; 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, this can be seen from a higher up close on 18/6/2010.

Why did the market trade higher on 18/6/2010 ? It has something to do with market psychology here, this kind of shift was seen important in keeping the market in an upward direction even though the low market volume on 18/6/2010 may have still indicated a low buying confidence and a cautious play in general.

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 & 17/6/2010) 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 market traded higher than 1,312.10 to 1,313.88 on 18/6/2010, what would likely happen to the market now ? The higher high market scenario on 18/6/2010 was indeed a friendly move to indicate something positive to follow ... next immediate resistance peaked at 1,330 level with support at 1,290.

What were the strong hands doing

A check of internal market strength on 18/6/2010 showed that buying strength *improved* with strong hand(s) seen *acquiring a portion of buying positions*, the number of stock positions established on **18/6/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **24%** from **35%** in the preceding trading day (17/6/2010).

Conclusion :

The short term market outlook turned positive with medium term remained fragile; but, on improving scale.

The analysis of overall daily market action(s) on 18/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,317.69.