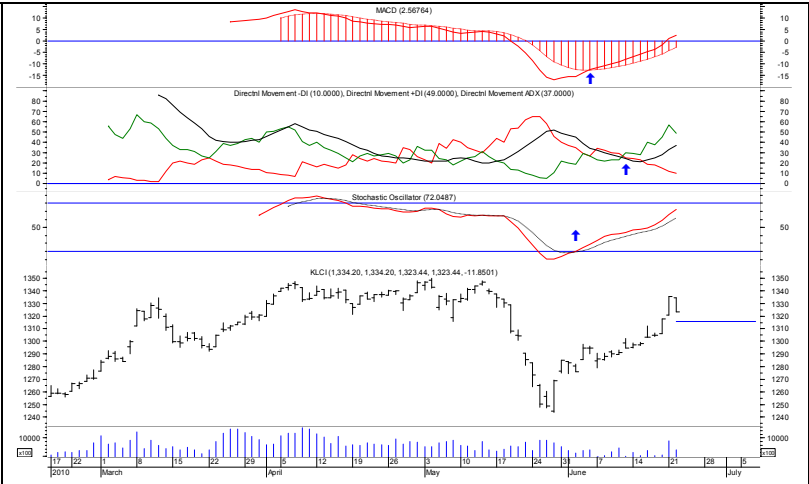


## Technical Analysis – Daily FBM KLCI

	22/6/2010	21/6/2010	
Open	1,334.20	1,320.78	
High	1,334.20	1,335.31	
Low	1,323.44	1,320.78	
Close	1,323.44	1,335.29	
Volume	672.6 m	921.0 m	
<b>Market Breadth</b>			
Up	226	591	
Down	434	161	
Unchanged	255	208	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

### Attempt to fill upside gap seen .....

### Market Commentary :

Dampened by a waning enthusiasm about China's decision to allow its currency to appreciate against dollar, DJIA had on 21/6/2010 lost 8.23 points to close at 10,442.41.

The single-digit drop in Wall Street had its impact felt on Bursa Malaysia in the opening bell on 22/6/2010, FBM KLCI only traded to a day high of 1,334.20 as traders were seen reluctant to stage a follow thru buying support despite the strong up close on 21/6/2010. In the absence of good buying support, profit taking activity rolled in, this pushed stock index down to a day low of **1,323.44** before settled at **day low**.

The **fall of 11.85** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Sime Darby** (down RM0.12), **Maybank** (down RM0.07), **CIMB** (down RM0.07), **TM** (down RM0.01) and **HL Bank** (down RM0.13).

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

Market could not continue with another push to go into higher ground yesterday (22/6/2010) on the back of strong closing in the preceding day. This posed a little surprise given the unexpected upward move beyond 1,330 level with a day high of 1,335.31 on 21/6/2010.

**Was this an indication of a change from buying to selling today (23/6/2010) ?** What happened on 22/6/2010 was believed to be a reaction to the sharp rise on 18/6/2010 & 21/6/2010. The market appeared extended on the upside with a rise of 32 points in 2 days, and some traders had decided to lock in a portion of their winning trades in absence of positive lead externally.

The upside gap left behind on 21/6/2010 remained unfilled at this moment. A point to watch out here would be the possible game play by bears as these bears did not buy the story of the market potential to go very far up. However, an evaluation of what happened on 21/6/2010 seemed to have

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indicated the availability of certain amount of market support to keep the market severe decline, because the bulls that took the market to 1,335.31 (21/6/2010) were believed to be feeling good about what they had accomplished so far.

**Why didn't the market trade higher on 22/6/2010 ?** Technically, the market should be making a higher high yesterday (22/6/2010); but, human trading decisions somehow took a change along the line ..... Well, the shift in market psychology that took place on 18/6/2010 would likely to stay on as this kind of shift was not easy especially when bears had earlier on pushed the market down to a low of 1,243.86 on 27/5/2010. In other words, an unwinding of negative sentiment was seen in the making.

**With the market traded higher than 1,313.88 to 1,335.31 on 21/6/2010 followed by lower high on 22/6/2010, what would likely happen to the market now ?** The higher high market scenario on 21/6/2010 was indeed a positive move to indicate something good to follow ..... resistance pegged at 1,350 level with support at 1,300. But, the inside day bar pattern on 22/6/2010 indicated uncertainty, this may prompt the traders to fill the downside gap left behind on 21/6/2010.

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

A check of internal market strength on 22/6/2010 showed that buying strength ***weakened*** with strong hand(s) seen ***disposing a portion of buying positions***, the number of stock positions established on ***22/6/2010*** added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to ***18%*** from ***7%*** in the preceding trading day (21/6/2010).

## 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 22/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,323.44.**