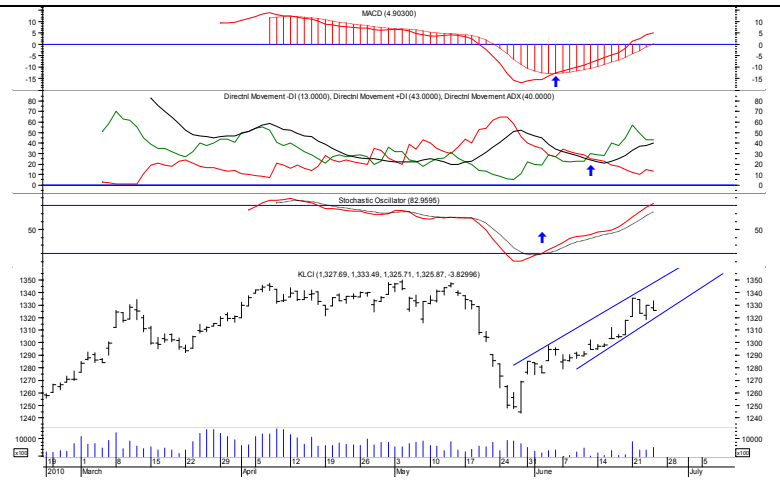


## Technical Analysis – Daily FBM KLCI

	24/6/2010	23/6/2010	
Open	1,327.69	1,322.05	
High	1,333.49	1,329.70	
Low	1,325.71	1,318.52	
Close	1,325.87	1,329.70	
Volume	749.3 m	684.9 m	
<b>Market Breadth</b>			
Up	318	360	
Down	332	275	
Unchanged	418	271	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

**Within a parallel channel .....**

### Market Commentary :

Concerned over record low of new home sales in US and a possible threat to US economy posed by Europe debts problem, DJIA had on 23/6/2010 gained a marginal 4.92 points to close at 10,298.44.

The single-digit rise in Wall Street caused a minor dampening impact on Bursa Malaysia in the opening bell on 24/6/2010, FBM KLCI traded to a day high of **1,333.49** as some traders continued to play on buying side in anticipation of higher market. However, weak follow thru buying support in area of 1,333.49 prompted renewed selling interest to roll into the game, this pushed stock index down to a day low of 1,325.71 before settled at **1,325.87**.

The **fall** of **3.83** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Sime Darby** (down RM0.03), **Tenaga** (down RM0.05), **CIMB** (down RM0.05), **Maybank** (down RM0.02) and **HL Bank** (down RM0.23).

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

Market kept its day low above 1,320 level yesterday (24/6/2010) despite traded down to a low of 1,318.52 level in the preceding day. This did not pose much of a surprise at all as the strong closing on 23/6/2010 somehow suggested the willingness on the part of traders to play on buying game.

**Will this be an indication of more buying today (25/6/2010) ?** What happened on 23/6/2010 was another follow thru of profit taking activity, and the down close on 24/6/2010 was again seen as a trading move to neutralize the 32 points rise on 18/6/2010 & 21/6/2010. The bears were still not buying the story on this market potential to go upward.

The upside gap left behind on 21/6/2010 remained unfilled at this moment despite a lower low scenario on 23/6/2010. **Will this upside gap be filled ?** The unfilled gap (high of 1,317.69 and

low of 1,318.52 on 23/6/2010) was less than a point, and there would still be a possibility of market to close this gap.

An evaluation of what happened from 21/6/2010 to 23/6/2010 seemed to have indicated the availability of certain amount of market support to keep the market from severe decline, because the bulls that took the market to 1,335.31 (21/6/2010) were feeling good about what they had accomplished so far and would want to protect it as "hard" as possible. However, given the weak close on 24/6/2010, it would be of interesting to see how this market carry itself in the next 3 days for a clearer market picture.

**Why did the market trade higher on 24/6/2010 ?** There was an apparent change of human trading decision from sell to buy yesterday with an indication of willingness on the part of traders to take the chance to establish stock positions; but, the low buying confidence forewarned a cautious play in general.

Nevertheless, 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 1,332.50 on 21/6/2010, 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 1,310.

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

A check of internal market strength on 24/6/2010 showed that buying strength *improved* with strong hand(s) seen *acquiring a portion of buying positions*, the number of stock positions established on **24/6/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **16%** from **17%** in the preceding trading day (23/6/2010).

## 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 24/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,333.49 after making attempt to go below 1,325.71.**