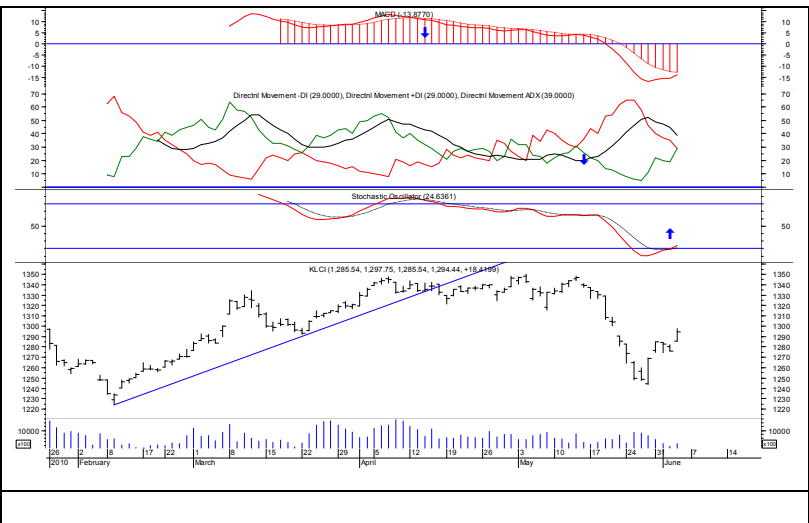


## Technical Analysis – Daily FBM KLCI

	3/6/2010	2/6/2010	
Open	1,285.85	1,280.34	
High	1,297.75	1,281.96	
Low	1,285.54	1,276.02	
Close	1,294.44	1,276.02	
Volume	655.2 m	585.3 m	
<b>Market Breadth</b>			
Up	542	287	
Down	154	294	
Unchanged	244	269	
<b>Indicators</b>			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	buy	buy	

**At a cross road .....**

### Market Commentary :

Encouraged by a stronger-than-expected increase in pending home sales and a recovery in shares of energy companies, DJIA had on 2/6/2010 gained 225.52 points to close at 10,249.54.

The triple-digit rise in Wall Street lifted the trading sentiment onto Bursa Malaysia in the opening bell. FBM KLCI gapped up with to a day low of 1,285.54 as traders changed their game plan from selling to buying in anticipation of higher market. Under greater buying support, market rose above 1,290 level to reach day high of **1,297.75** before settled at **1,294.44**.

The double-digit **rise of 18.42** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB (up RM0.16)**, **Maybank (up RM0.10)**, **Tenaga Nasional (up RM0.03)**, **HL Bank (up RM0.07)** and **Genting M'sia (up RM0.08)**.

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

Market pushed its way up into 1,290 zone yesterday (3/6/2010) in spite of the day low closing at 1,276.02 in the preceding day (2/6/2010). It was a little surprise to see market not making a lower low yesterday, because the market set up on 2/6/2010 pointed to lower ground on 3/6/2010.

**Why market did not trade lower on 3/6/2010 ?** A closer look at the market performance in the past 4 days (27/5/2010 – 2/6/2010) that could give rise the reason behind was the upside gap created on 31/5/2010; but, the willingness on the part of traders to take risk to establish stock positions was the other key for another upside gap yesterday (3/6/2010).

Firstly, the market went down to lowest low of 1,243.86 since 11/2/2010 on 27/5/2010, this was subsequently followed by a near day high closing to form a bottom key reversal pattern. Traders were basically thrilled by the turnaround of market on 27/5/2010 after making a losing streak for 9

consecutive days (14/5/2010 to 26/5/2010). Secondly, the gapped up scenario on 31/5/2010 indicated the urgency on the part of traders to acquire stock positions.

As for another gapped up scenario created on 3/6/2010, it suggested that traders would want to put aside the sharp rise of 42 points from low of 1,243 (27/5/2010) to high of 1,285 (31/5/2010) which was viewed as overreacted, and focused on profiting opportunities at this juncture.

The market aspect of **technical rebound** for 27/5/2010 and 31/5/2010 following the sharp fall to lowest low of **1,243.86** since 11/2/2010 remained as the bottoming base formation was not strong enough to encourage serious buying interest; moreover, the phenomenon of downside breakout of 1,300 level on 21/5/2010 with lower low bar on 21/5/2010, and the unfilled downside gap left behind on 21/5/2010 would continue to haunt traders' mind.

**With market hitting 50% retracement level at 1,296 measuring from high of 1,349 to low of 1,243 on 3/6/2010, can this market go up again ?** While traders and investors continued to cheer the upward rise in stock index, 1,295 – 1,300 level would likely to remain a strong psychological hurdle to overcome until such time that we see a crossover of 1,300 level in a decisive manner.

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

A check of internal market strength on 3/6/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring another portion of buying positions**, the number of stock positions acquired from 26/5/2010 – 3/6/2010 had **exceeded** the amount liquidated from 12/5/2010 to 25/5/2010 by **1%** as **compared to 84% stock acquisition of what was sold from 12/5/2010 to 25/5/2001 in the preceding day.**

## Conclusion :

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

**The analysis of overall daily market action(s) on 3/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,297.75.**