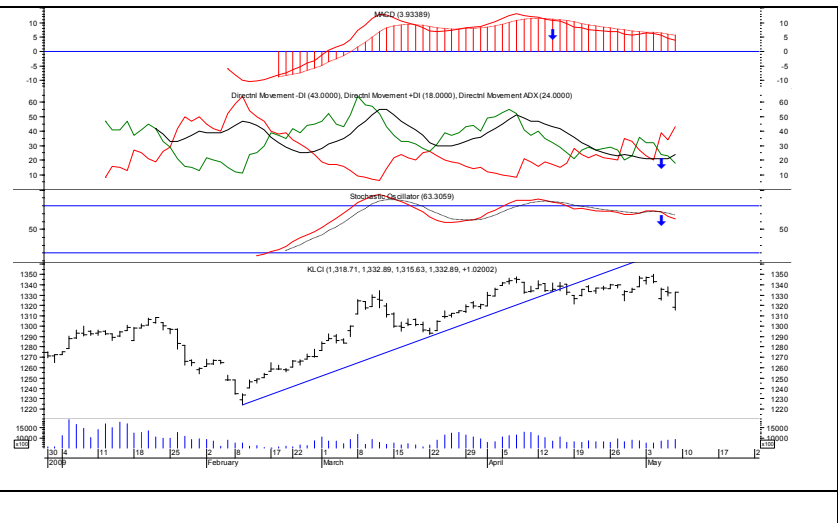


Technical Analysis – Daily FBM KLCI

	7/5/2010	6/5/2010	
Open	1,318.71	1,333.22	
High	1,332.89	1,337.88	
Low	1,315.63	1,328.89	
Close	1,332.89	1,331.87	
Volume	938.3 m	899.0 m	
Market Breadth			
Up	205	137	
Down	522	644	
Unchanged	234	233	
Indicators			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	sell	sell	



Just not willing to give up 1,330 level

Market Commentary :

Dampened by an error order key in to sell US\$16 billion worth of futures contract instead of US\$16 million to cause DJIA to lose nearly 10% amid fears of possible failure on Europe's attempt to contain Greece's debt crisis, DJIA had on 6/5/2010 recovered with a drop of **347.80** points to close at 10,520.32.

The triple-digit loss in Wall Street sent another shivering nerve to Bursa Malaysia in the opening bell on 7/5/2010, FBM KLCI broke below 1,320 level to reach a day low of **1,315.63** as traders scrambled to unload their stock positions in anticipation of lower market. However, the inability on the part of market to go lower than **1,315.63** prompted renewed buying support, and this lifted market back up into 1,330 level with a day high of **1,332.89** before settled at **day high**.

The single-digit **rise** of **1.02** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp (up RM0.01)**, **Genting M'sia (up RM0.03)**, **HL Bank (up RM0.08)**, **Axiata (up RM0.11)** and **YTL Power (up RM0.01)**.

What was the chart saying

We saw another treacherous heart-pounding market sell-off yesterday (7/5/2010) with KLCI losing its grip at 1,320 level to lowest low since 30/3/2010. Again, bulls tried to rescue the situation in an attempt to contain the weak trading sentiment from getting worse, this can be seen from the support to lift stock index into 1,320 zone and 1,330 zone.

The intraday downside break of 1,320 level last Friday was something unusual given the recent supportive game play, as it signalled that market was losing its positive momentum. **What did it tell us ?** The pressure for market to go downward had been activated, and any attempt(s) in coming days to lift market up would be seen as a dead cat bounce for the time being.

We saw a repeat of history of 19/4/2010 & 28/4/2010 on 7/5/2010, where market rebounded to climb back up into 1,330 zone within the same day. This somehow indicated that there were still traders playing supportive role to keep the market afloat in spite of much uncertainties around globally.

Having rebounded into 1,330 support level on 7/5/2010 on a settlement basis, 1,330 zone had once again been proven as the first choice of comfort on first choice.

Bears won control in the short term; but, the bulls were seen doing its utmost to recover the lost ground again on 7/5/2010.

What were the strong hands doing

A check of internal market strength on 7/5/2010 showed that buying strength *improved* with strong hand(s) seen acquiring a portion of buying positions, this brought the number of stock positions established between 23/3/2010 and 7/5/2010 (inclusive dates) up to **85%** from **75%** (23/3/2010 – 6/5/2010) of what was sold from 12/3/2010 to 22/3/2010.

Conclusion :

The short term had begun to turn weak with medium term market outlook still seen favourable.

The analysis of overall daily market action(s) on 7/5/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,332.89.