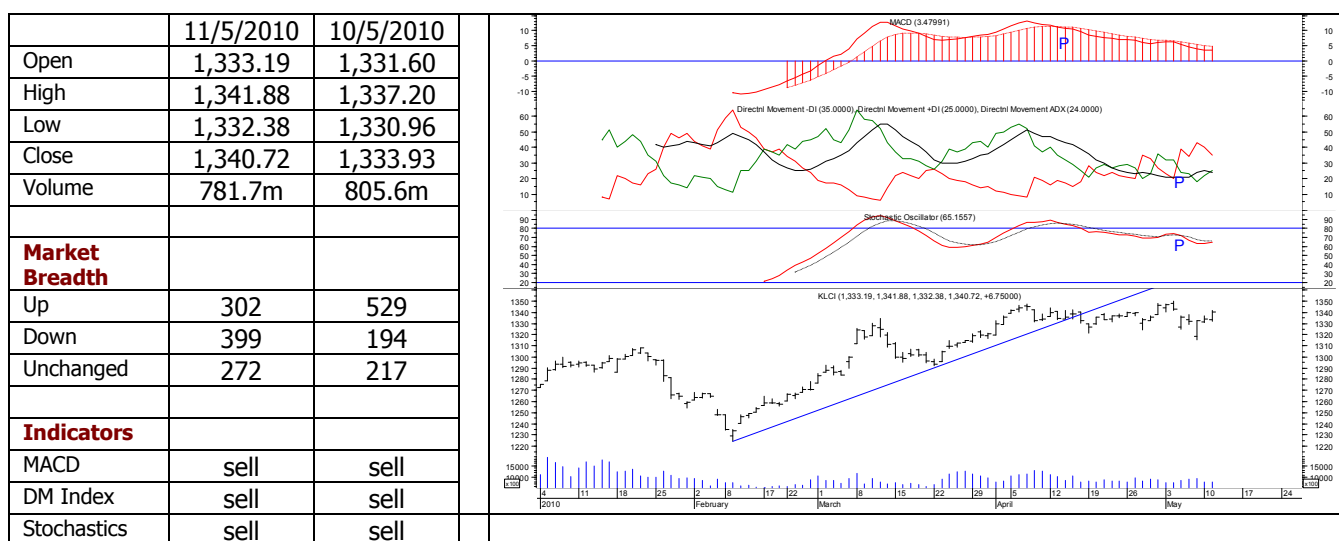


## Technical Analysis – Daily FBM KLCI



**Market seen working hard to go up.....**

### Market Commentary :

Led by the plan of US\$1 trillion agreed by EU and IMF to contain Europe's debt crisis, DJIA had on 10/5/2010 rocketed with a jump of **404.71** points to close at **10,785.14**.

The triple-digit gain in Wall Street helped to lift Bursa Malaysia in the opening bell on 11/5/2010, FBM KLCI only traded down a day low of **1,332.38** as traders chose not to play on selling side in anticipation of higher market. In the absence of stronger selling pressure to push market lower than **1,332.38**, renewed buying interest rolled in, this lifted stock index into 1,340 zone with a day high of **1,340.88** before settled at **1,340.72**.

The single-digit **rise** of **6.75** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up **RM0.08**), **HL Bank** (up **RM0.05**), **Tenaga Nasional** (up **RM0.04**), **IOI Corp** (up **RM0.02**) and **GenM** (up **RM0.09**).

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

We saw a supportive playing role again yesterday (11/5/2010) with KLCI continued to hold a firm grip at 1,330 level after the positive close in the preceding day. Bulls had not only done its part to contain the weak trading sentiment from getting worse, it had also propped up the market nicely into 1,340 zone in attempt to instil renewed buying confidence.

**Ladies & gentlemen**, it was good to see market trading higher on 11/5/2010 with supportive buying been observed for 3 consecutive days even though it was premature to confirm a return of bull, because the intraday downside break of 1,320 level on 7/10/2010 was something unusual given the earlier supportive game play, times are still needed to consolidate the sharp sell-off that occurred last Friday.

However, the crossover of 1,338 level on 11/5/2010 was something to be noted as it would likely begin to pave the way for the market to go upward, this was seen a hint of readiness on the part of market to re-test immediate high of 1,349.92 (4/5/2010). Do not forget, we saw the 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 suggested a supportive playing role to keep the market afloat in spite of much uncertainties around globally, and 1,330 zone had once again been proven as intended protective zone.

**Bears won control in the short term; but, the bulls were seen doing its utmost to recover the lost ground again on 11/5/2010.**

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

A check of internal market strength on 11/5/2010 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 11/5/2010 (inclusive dates) up to **116%** from **90%** (23/3/2010 – 10/5/2010) of what was sold from 12/3/2010 to 22/3/2010.

To put it in a simple term, strong hands bought into market to see its peak on 11/3/2010, then the buying pattern of strong hands had been below this peak between 12/3/2010 – 10/5/2010; but, something had changed in the past 3 days (7/5/2010 – 11/5/2010) with this buying pattern seen trending upward. **What did it tell us ?** This basically indicated that strong hands were confident to see this market to trade above 1,349.92.

## **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 11/5/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,341.88.**