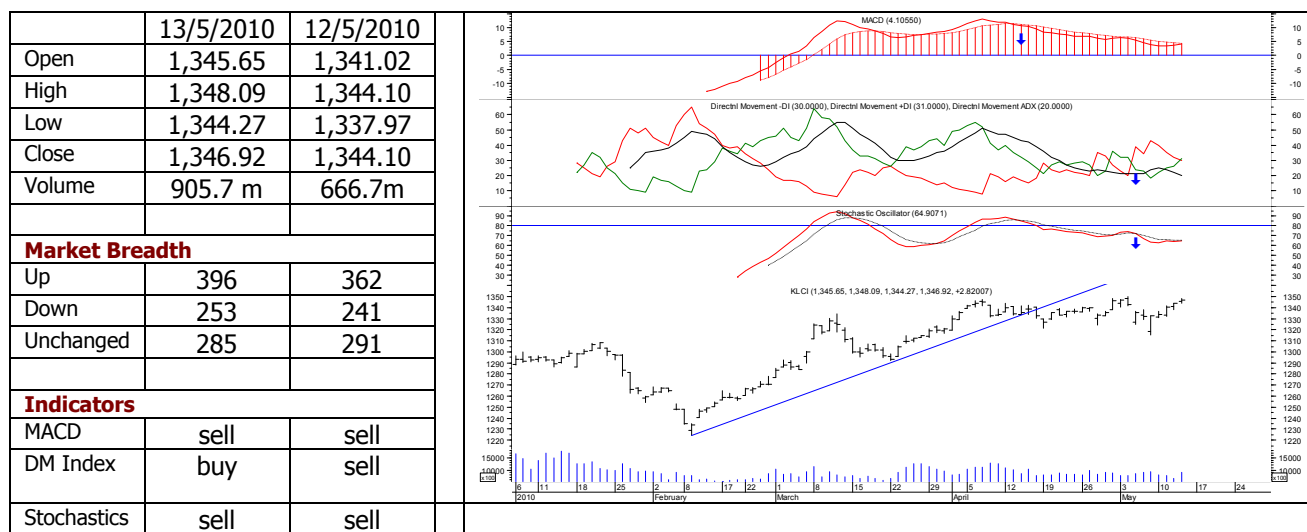


Technical Analysis – Daily FBM KLCI



1,350 level – likely a psychological resistance

Market Commentary :

Supported by economic reports from US & Europe on global recovery intact, and US March 2010 export reached highest level since 2008, DJIA had on 12/5/2010 gained **148.65** points to close at **10,896.91**.

The overnight triple-digit gain in Wall Street helped to lift Bursa Malaysia in the opening bell on 13/5/2010, FBM KLCI traded higher a day high of **1,348.09** as traders decided to play on buying side in anticipation of higher market. However, weak follow thru buying support in area of **1,348.09** prompted light profit taking activity to roll in, this pushed stock index down to a low of **1,344.27** before settled at **1,346.92**.

The single-digit **rise** of **2.82** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.04), **HL Bank** (up RM0.04), **Maybank** (up RM0.12), **IOI Corp** (up RM0.02) and **TM** (up RM0.05).

What was the chart saying

We saw a higher high market yesterday (13/5/2010) with KLCI continued to hold a firm grip at 1,330 level after the positive close in the preceding day. Bulls were again seen playing its part to contain the weak trading sentiment after propping up the market nicely into 1,340 zone on 11/5/2010 in an effort to instil renewed buying confidence.

Ladies & gentlemen, it may be premature to confirm a return of bull; but, the supportive buying in the past 5 consecutive days (7/5/2010 – 13/5/2010) had helped to improve the bullishness ranking; but, the market volume was still seen not impressive enough to support a bullish view at this juncture. High market volume is essential, because the intraday downside break of 1,320 level on 7/10/2010 was something unusual, many traders/investors had become wary about the market.

The crossover of 1,338 level on 11/5/2010 continued to provide a hint of readiness on the part of market pave the way for market to go upward with an eye to re-test immediate high of 1,349.92 (4/5/2010). Furthermore, 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.

Can market break above 1,349.92 level ? Stock index was only 1.83 points away, it should have no problem to clear the hurdle theoretically. Psychologically, 1,350 level would remain an overhead resistance for the time being, this market would likely take a small pull back for 2 – 3 days before recharging itself to go up north.

What were the strong hands doing

A check of internal market strength on 13/5/2010 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 13/5/2010 (inclusive dates) up to **105%** from **101%** (23/3/2010 – 12/5/2010) 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 stayed 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 remained weak with medium term market outlook still favourable.

The analysis of overall daily market action(s) on 13/5/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,348.09.