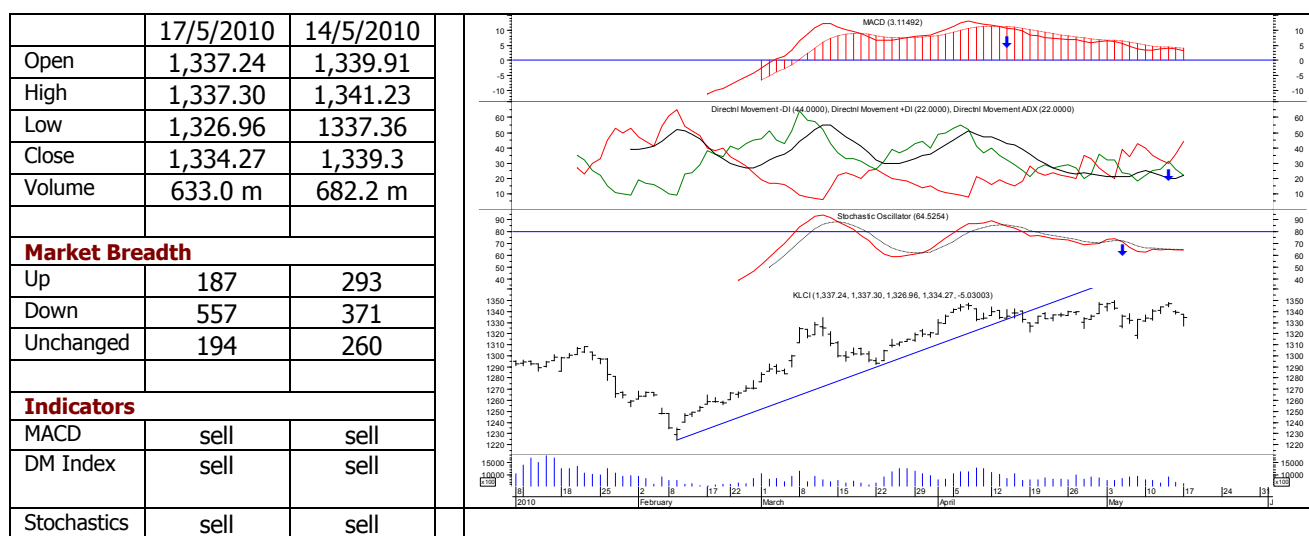


## Technical Analysis – Daily FBM KLCI



**1,330 level protected again.....**

### Market Commentary :

Concern over the budget cuts by Greece and Spain to slow down European economic recovery and global rebound, DJIA had on 14/5/2010 lost **162.79** points to close at **10,620.16**.

The triple-digit loss in Wall Street sent a negative signal to Bursa Malaysia in the opening bell on 17/5/2010, FBM KLCI gapped down with a day high of **1,337.30** as traders decided to further profit take another portion of their winning trades instead of playing buy side. Under greater selling pressure, stock index broke below 1,330 level to a low of **1,326.96** before settled at **1,334.27**.

The single-digit **drop** of **5.03** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB** (down **RM0.02**), **Maybank** (down **RM0.04**), **KLK** (down **RM0.18**), **Sime** (down **RM0.01**) and **Axiata** (down **RM0.07**).

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

Market broke below 1,330 level yesterday (17/5/2010) following the weak market closing under a gapped down scenario last Friday. FBM KLCI was struggling to keep its position near the day high in the early morning session as traders were seen not interested to provide immediate supporting hands on first trading day of the week, and this had somehow provided an easy way for the market to break downward. **Where was the bull that had been 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 ?** Those bulls were traders. They traded for profits and not obligated to support market daily to keep everyone happy

As we had said earlier, the supportive buying from 7/5/2010 – 13/5/2010 had helped to improve the bullishness ranking; but, it was still premature to confirm a return of bull on reason of unimpressive market volume. High market volume was essential for a higher high market, because the intraday

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downside break of 1,320 level on 7/10/2010 was something unusual, many traders/investors had become wary about the market.

**So, market protected its fort at 1,330 level on 17/5/2010 after making an intra-day downside breakout, can market trade above 1,349.92 level ?** The second consecutive downside gap created on 17/5/2010 again indicated the urgency on the part of traders to unload. On this note, bullish traders were believed to be looking at lower market, and supporting play(s) would emerge only when market timing to appear "right".

**Judging from the way market carried itself on 17/5/2010, the earlier intended protected level of 1,330 level may still intact; but, 1,315 – 1,320 level should now act as a more comfortable support level in the eyes of traders.**

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

A check of internal market strength on 17/5/2010 showed that buying strength ***weakened*** with strong hand(s) seen ***disposing a portion of buying positions***, this brought the number of stock positions established between 23/3/2010 and 17/5/2010 (inclusive dates) down to ***55%*** from ***75%*** (23/3/2010 – 14/5/2010) of what was sold from 12/3/2010 to 22/3/2010.

**So, what would these strong hands be doing next after the unloading on 17/5/2010 ?** On 17/5/2010, those strong hands were seen comfortably locking in another portion of their profits, and they are expected to continue with profit taking action on Tuesday (18/5/2010) given the relative smaller amount of stock acquisition on 12/5/2010 compared to the amount of stock disposal on 11/5/2010. **Given the behavioural pattern, market would thus be likely to come under pressure to go downward on 18/5/2010.**

## **Conclusion :**

**The short term remained weak with medium term market outlook still favourable.**

**The analysis of overall daily market action(s) on 17/5/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,326.96 after making attempt to go higher than 1,337.30.**