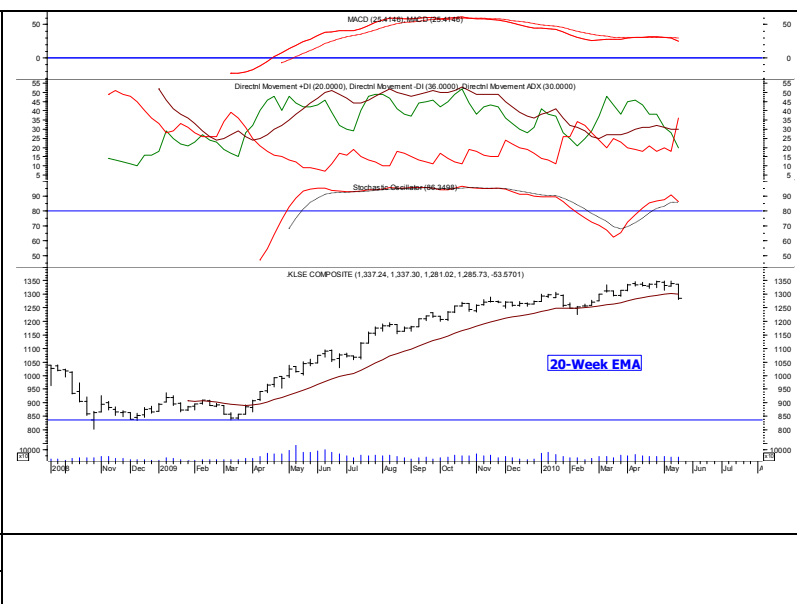


## Technical Analysis – Weekly FBM KLCI

|                        | 21/5/2010 | 14/5/2010 |
|------------------------|-----------|-----------|
| Open                   | 1,337.24  | 1,331.60  |
| High                   | 1,337.30  | 1,348.09  |
| Low                    | 1,281.02  | 1,330.96  |
| Close                  | 1,285.73  | 1,339.30  |
| Volume                 | 3.75 bil  | 3.79 bil  |
| <b>Pivot</b>           | 1,301.3   | 1,339.4   |
| 1 <sup>st</sup> Resis. | 1,321.6   | 1,347.9   |
| 2 <sup>nd</sup> Resis. | 1,357.6   | 1,356.5   |
| 1 <sup>st</sup> Supp.  | 1,265.4   | 1,330.8   |
| 2 <sup>nd</sup> Supp.  | 1,245.0   | 1,322.3   |
| <b>Indicators</b>      |           |           |
| MACD                   | sell      | sell      |
| DM Index               | sell      | buy       |
| Stochastics            | buy       | buy       |



**Chart wise :**

..... **4 % of total weekly market trading activity was on buying side** .....

### **Weekly Market Commentary :**

Growing fears of Europe's debt crisis to slow down the world economic recovery despite the US\$1 trillion rescue plan agreed by EU and IMF to contain Europe's debt crisis in previous week, DJIA came under renewed selling pressure to a low of **10,065.4** before settled at **day low** in the week ended 20/5/2010.

The sharp fall in Wall Street shook the trading sentiment in Bursa Malaysia, FBM KLCI lost its footing above 1,300 psychological level as traders rushed for liquidation, stock index went down to lowest low of **1,281.02** since 2/3/2010 before settled at **1,285.73** last week.

Total market turnover was **3.75** billion shares for week ended 21/5/2010 compared to **3.79** billion shares in the previous week, the **smaller market volume** in a down close scenario suggested **weaker buying pressure** last week.

**With a week high (1,337.3) lower than previous week high (1,348.09) and a lower low (1,281.02) than previous week low (1,330.96), can market continue to go upward ?** The lower weekly high with an extended lower weekly low last week (21/5/2010) created a weak market scenario. Market can thus be expected to trade downward in coming week.

Moreover, the stock index had also lost its stability above 20-week MA line. The slide below 20-week MA line on settlement basis for week ended 21/5/2010 indicated a weakening market for the near term. Many traders would be selling into market strength.

On examination of the market behaviour for the week ended 21/5/2010, the weekly **down close** of **1,285.73** did not help to paint a friendly picture onto the chart with **support** pegged at **1,235** and **overhead resistance** at **1,300** level.

A mathematical calculation showed that about **4%** of the total market trading activity for week ended 21/5/2010 was on the **buying side** compared to the **72%** in the previous week.

**Conclusion :**

The market action(s) for week ended 21/5/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to trade **below 1,281.02** this week.