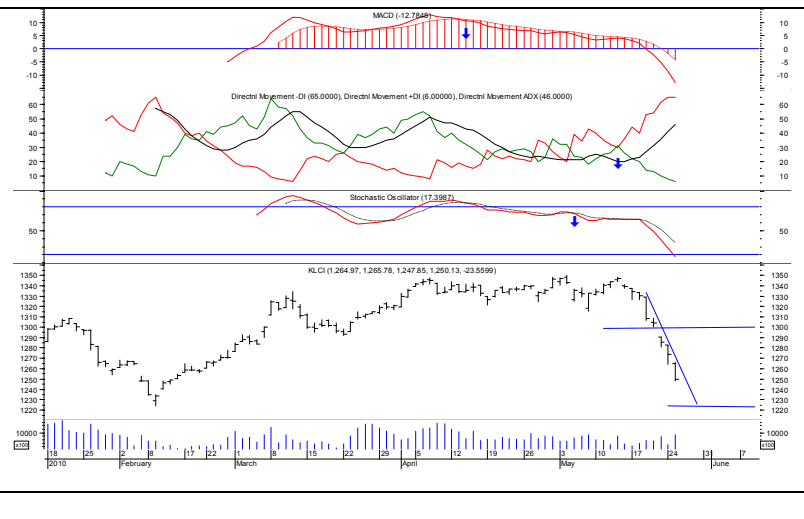


## Technical Analysis – Daily FBM KLCI

	25/5/2010	24/5/2010
Open	1,264.97	1,282.96
High	1,265.78	1,282.96
Low	1,247.85	1,264.11
Close	1,250.13	1,273.69
Volume	940.6 m	662.4 m
<b>Market Breadth</b>		
Up	82	252
Down	846	415
Unchanged	152	285
<b>Indicators</b>		
MACD	sell	sell
DM Index	sell	sell
Stochastics	sell	sell



**Technical rebound should be around .....**

### Market Commentary :

Continued worries over the US government financial overhaul plan and debt problems in Europe, DJIA had on 24/5/2010 lost **126.8** points to close at **10,066.57**.

The triple-digit loss in Wall Street sent a dampening effect to Bursa Malaysia in the opening bell on 25/5/2010. FBM KLCI traded lower as traders chose to unload another portion of their stock positions. Stock index subsequently came under immense selling pressure to break below 1,250 level to reach lowest low of **1,247.85** since 12/2/2010 before settled at **1,250.13**.

The double-digit **drop** of **23.56** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Sime Darby** (down RM0.07), **Maybank** (down RM0.22), **CIMB** (down RM0.24), **TM** (down RM0.02) and **IOI Corp** (down RM0.11).

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

Market continued to come under selling pressure yesterday (25/5/2010) after the downside breakout of 1,300 level last Friday (21/5/2010) following the lower low bar with a down close on 21/5/2010 and the downside gap left behind on 21/5/2010.

The market slide to lowest low of 1,259.80 since 22/2/2010 on 25/5/2010 showed another wave of selling pressure. This meant to say many traders were still not comfortable to hold many stock positions in anticipation of weaker market ahead. **Can a technical rebound be expected soon ?** KLCI had lost 89 points in the last 8 days from the recent high of 1,348 on 13/5/2010. At a low of 1,247.85, this market had retraced **81%** from low of 1,224.37 (9/2/2010) connecting the other high of 1,349.92 (4/5/2010). **Theoretically**, we should have seen a technical rebound at 50% retracement or 1,285 level (day low of 21/5/2010 = 1,281.02); but, somehow traders were believed to have expected higher retracement level instead of 50%.

**Ladies & gentlemen**, the market sell-off from 19/5/2010 to 25/5/2010 was not something to be reversed overnight, this market needed times to consolidate the severe decline during this period. **We said in our previous day report that** : While it was impossible to tell the exact market turning point after the recent fall; but, a closer look at the past market performance in early 2010 indicated that market could extend its decline beyond 1,264 to 1,255 level before stronger renewed buying support would show up. **With the downside violation of 1,250 level on 25/5/2010, market would be gearing up to test the low of 1,244 level in the process of finding a stable footing for technical rebound.**

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

A check of internal market strength on 25/5/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing another portion of buying positions**, *the number of stock positions liquidated from 12/5/2010 – 25/5/2010 had exceeded the amount of stock acquired from 19/4/2010 to 11/5/2010 by **76% compared 49% in the preceding day.***

## Conclusion :

**The short and medium term market outlook had turned weak.**

**The analysis of overall daily market action(s) on 25/5/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,247.85.**