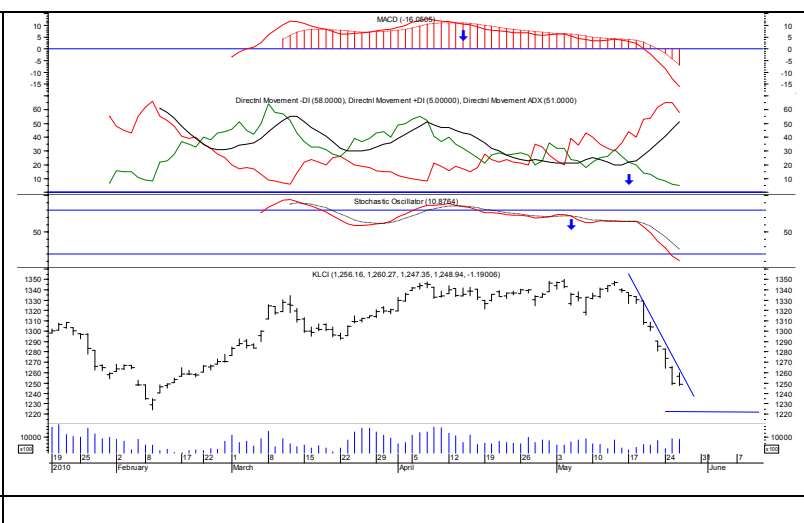


Technical Analysis – Daily FBM KLCI

	26/5/2010	25/5/2010
Open	1,256.16	1,264.97
High	1,260.27	1,265.78
Low	1,247.35	1,247.85
Close	1,248.94	1,250.13
Volume	929.6 m	940.6 m
Market Breadth		
Up	426	82
Down	320	846
Unchanged	265	152
Indicators		
MACD	sell	sell
DM Index	sell	sell
Stochastics	sell	sell



Fear was still seen lingering.....

Market Commentary :

Encouraged by Washington suggestion that banks would not be forced to sell their lucrative derivatives units as part of financial reform amid Europe's debt crisis, DJIA had on 25/5/2010 lost **22.82** points to close at **10,043.75**.

The small double-digit loss in Wall Street sent a friendly effect to Bursa Malaysia in the opening bell on 26/5/2010. FBM KLCI rose to a high of 1,260.27 on light bargain hunting activity; however, renewed selling interest rolled in to push market down to a day low of **1,247.35** before settled at **1,248.94**.

The single-digit **drop** of **1.19** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Sime Darby** (down RM0.14), **Maybank** (down RM0.08), **IOI Corp** (down RM0.08), **HL Bank** (down RM0.16) and **Genting M'sia** (down RM0.15).

What was the chart saying

While it was good to see a market taking a brief pause here; however, the phenomenon of downside breakout of 1,300 level on 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 would continue to cap big advances for the time being.

Is technical rebound here ? KLCI lost 89 points in the last 8 days (13/5/2010 – 25/5/2010) from the recent high of 1,348 on 13/5/2010, and at a day low of 1,247.85 on 25/5/2010, 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). This market was severely oversold; but, we had yet to see good renewed buying interest at this juncture.

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 low of 1,224 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 26/5/2010 showed that buying strength ***improved*** with strong hand(s) seen **acquiring a portion of buying positions**, *the number of stock positions liquidated from 12/5/2010 – 26/5/2010 had only exceeded the amount of stock acquired from 19/4/2010 to 11/5/2010 by **49% compared 76% in the preceding day.***

Conclusion :

The short and medium term market outlook had turned weak.

The analysis of overall daily market action(s) on 26/5/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,247.35.