

Technical Analysis – Weekly FBM KLCI

	27/5/2010	21/5/2010
Open	1,282.96	1,337.24
High	1,282.96	1,337.30
Low	1,243.86	1,281.02
Close	1,269.16	1,285.73
Volume	3.39 bil	3.75 bil
Pivot	1,265.3	1,301.3
1 st Resis.	1,286.7	1,321.6
2 nd Resis.	1,304.4	1,357.6
1 st Supp.	1,247.6	1,265.4
2 nd Supp.	1,226.2	1,245.0
Indicators		
MACD	sell	sell
DM Index	sell	sell
Stochastics	sell	buy

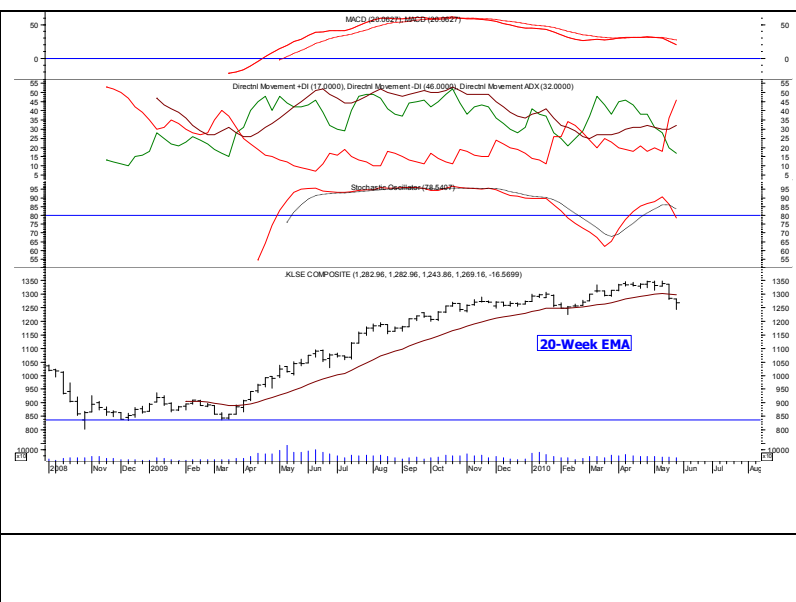


Chart wise : .

..... **32 %** of total weekly market trading activity was on buying side

Weekly Market Commentary :

Fear of more cost cutting measures by European countries and heavy debt crisis to slow down the world economic recovery, DJIA broke below 1,000 marks to reach lowest low of 9,774.46 since 5/11/2009 before settled at **9,974.45** for the week ended 26/5/2010.

The downside breakout of 10,000 level in Wall Street cast a negative impact in Bursa Malaysia, FBM KLCI broke below 1,250 level to reach lowest low of 1,243.86 since 11/2/2010 as traders continued to play on selling side before recovered to settle at **1,269.16** last week.

Total market turnover was **3.39** billion shares for week ended 27/5/2010 compared to **3.75** billion shares in the previous week, the **smaller market volume** in a down close scenario suggested **weaker selling pressure** last week.

With a week high (1,282.96) lower than previous week high (1,337.3) and a lower low (1,243.86) than previous week low (1,281.02), can market continue to go downward ? The lower weekly high with an extended lower weekly low last week (27/5/2010) created a not strong market scenario. Market had also continued to trade below 20-week MA line for 2 consecutive weeks, this indicated a weakening market for the near term. **The off week low closing at 1,269.16 for week ended 27/5/2010 was supportive; but, overhead resistance at 1,280 can be expected as many traders would likely be selling into market strength.**

On examination of the market behaviour for the week ended 27/5/2010, the weekly **down close** of **1,269.16** did not help to paint a friendly picture onto the chart with **support** pegged at **1,235** and **overhead resistance** at **1,280** level.

A mathematical calculation showed that about **32 %** of the total market trading activity for week ended 27/5/2010 was on the **buying side** compared to the **4 %** in the previous week.

Conclusion :

The market action(s) for week ended 27/5/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to trade **below 1,243.86** this week.