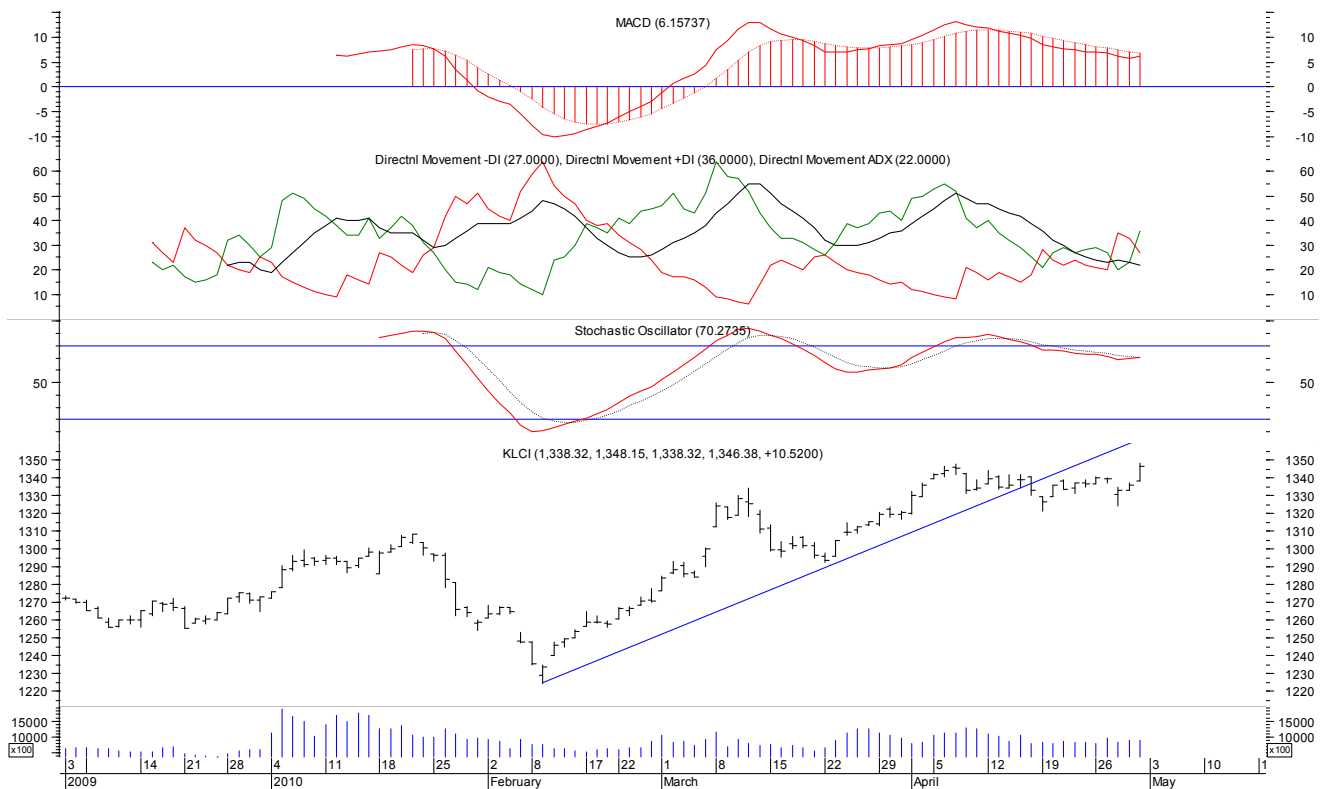


## Technical Analysis – Daily FBM KLCI



Date	Open	High	Low	Close	Vol.
30/4/2010	1,338.32	1,348.15	1,338.32	1,346.38	889.0 mil
29/4/2010	1,332.81	1,336.89	1,332.81	1,335.86	898.8 mil

**Highest since 3/3/2008 .....**

### Market Commentary :

Supported by corporate deal of HP buying over Palm Inc for US\$1.4 billion cash, upbeat earnings reports and a second weekly drop of unemployment initial claims, DJIA had on 29/4/2010 gained 122.05 points to close above 11,167.32.

The triple-digit rise in Wall Street sent a strong positive signal to Bursa Malaysia in the opening bell on 30/4/2010, FBM KLCI gapped up to cross over immediate high of 1,347.71 (7/4/2010) to reach highest high of 1,348.15 since 3/3/2008 as traders were seen rushing in to establish stock positions in anticipation of higher market. In the absence of stronger selling pressure, market kept its position on the high side throughout the trading sessions before settled at 1,346.38.

The double-digit **rise** of 10.52 points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.04), **Maybank** (up RM0.18), **IOI Corp** (up RM0.01), **Sime Darby** (up RM0.03) and **Tenaga Nasional** (up RM0.05).

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

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We saw an interesting market play last Friday (30/4/2010), market made a surprise move with an upside gap with a day high of 1,347.36, a marginal gap of 0.35 away from hitting the immediate high created on 7/4/2010. The gapped up scenario basically suggested the urgency on the part of traders to acquire stocks, **what was so urgent that prompted those traders to establish positions ?** This was due to the ability on the part of market making a rebound from a market level near to 1,320 to close above 1,330 level with a near day high scenario on 28/4/2010, and was subsequently supported by another near day high close on 29/4/2010. The game play witnessed on 28/4/2010 and 29/4/2010 indicated that there were certain traders ready to play a supporting role in keeping the market afloat.

Furthermore, the stock index was earlier expected to be consolidating its position above 1,330 level plus a waiting timing to go upward after gathered the initial ignition fire powder to go into 1,340 zone on 26/4/2010.

It was indeed good to see market making a higher high on 30/4/2010; but, market volume was not impressive with many traders/ investors still seen wary about the potential market's upward strength. These market players would need a stronger convincing power before making decision to re-establish new stock positions, and it would be advisable for [market to take a pause between 1,337 and 1,347 in next 2 – 3 days in neutralizing the negativity created on 28/4/2010.](#)

**As we had said in our earlier market reports**, the small trading range from 19/4/2010 to 27/4/2010 implied that bears were seen not hesitating to sell down on negative news and bulls were only expecting the present market weak market scenario to do a minor pull back before resuming its upward move. Yesterday, bears may have won the battle over the bulls; but, the rebound from day low to climb back up into 1,330 zone seemed to have suggested that bulls had not given up of what they believed in the market and were seen prepared to keep the stock index above 1,330 level. **So, did this market game play on 28/4/2010 ring a bell ?** Yes, of course.

Market broke below 1,330 level on 19/4/2010 and crossed back up above 1,330 level on 20/4/2010, **what can be said about that ?** The cross back up into 1,330 level on 20/4/2010 was certainly a cheer as it indicated the significance of 1,330 level in the eyes of bulls even though the bulls were unable to find the additional "sweetener" to jump start a greater market buying interest to stay supportive above 1,330 level from 8/4/2010 to 16/4/2010.

Certain traders may be seen be working in "keeping" market stability above 1,330 level. Still, should 1,330 level fail to provide the necessary support, this market would then likely be looking at next support between 1,310 and 1,320 level.

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

A check of internal market strength on 30/4/2010 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a portion of buying positions***, this brought the number of stock positions established between 23/3/2010 and 30/4/2010 (inclusive dates) up to ***83%*** from ***60%*** (23/3/2010 – 29/4/2010) of what was sold from 12/3/2010 to 22/3/2010.

**Conclusion : The short term and medium term market outlooks were still favourable. Stock index would be seen losing its momentum if market were to break below 1,330 level again .....** **The analysis of overall daily market action(s) on 30/4/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,348.15.**

**Technical wise :**

Mov.Avg. Conver/Divergence	MACD :	6.15	Signal :	6.90		
MACD line had on 13/4/2010 cut <b>down</b> the Signal line to emit a " <b>sell</b> " signal.						
Directional Movement Index	+DI :	36	-DI :	22	ADX	27
+DMI crossed <b>over</b> -DMI on 30/4/2010 to indicate an " <b>up</b> " move.						
Stochastics Oscillator	% K :	70.2	% D :	70.8		
%K line cut <b>down</b> the %D line to give a " <b>sell</b> " signal on 14/4/2010.						