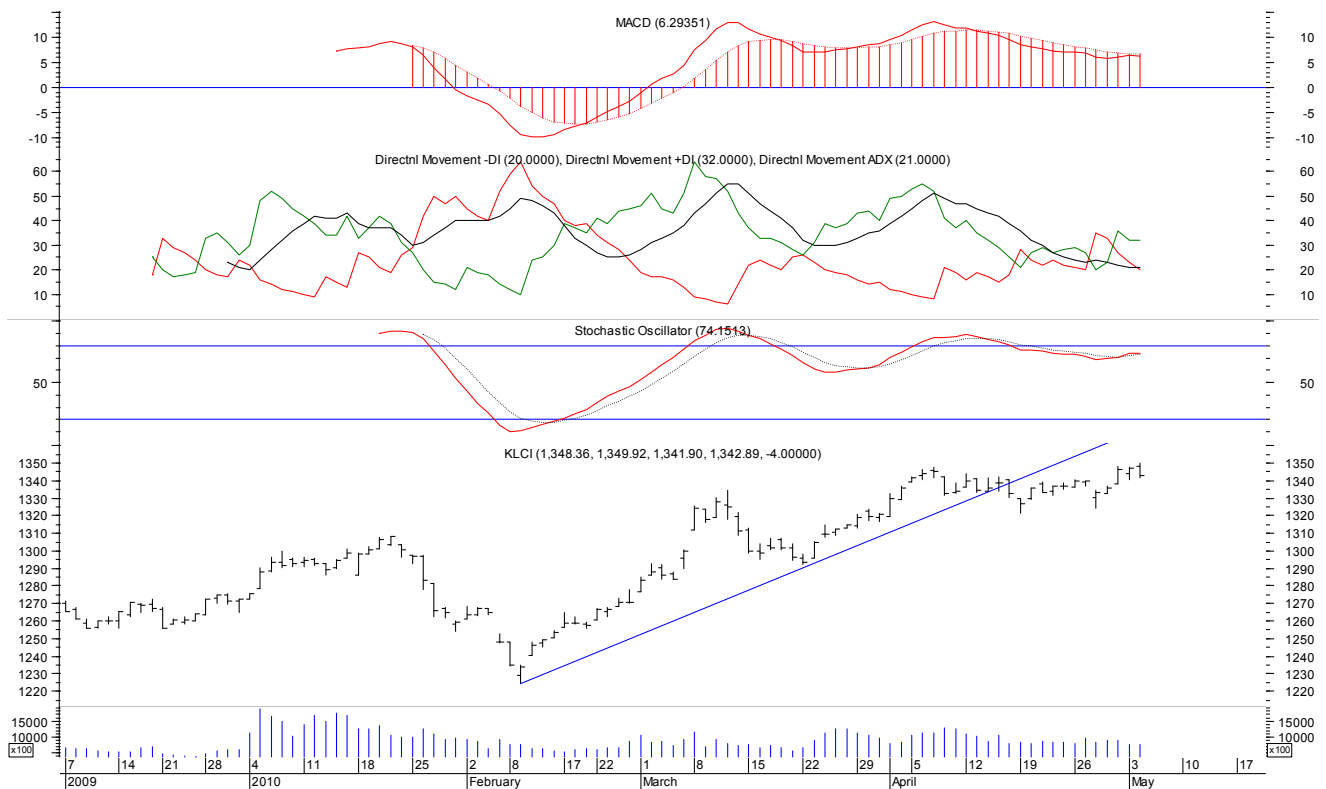


Technical Analysis – Daily FBM KLCI



Date	Open	High	Low	Close	Vol.
4/5/2010	1,348.36	1,349.92	1,341.90	1,342.89	767.4 mil
3/5/2010	1,344.24	1,347.54	1,340.26	1,346.89	771.1 mil

Couldn't Find The Right Trigger

Market Commentary :

Supported by Germany's approval of bailout funds for Greece and Warren Buffet's vote of confidence in Goldman Sachs, DJIA had on 3/5/2010 gained 143.22 points to close at 11,151.83.

The triple-digit gain in Wall Street provided a helping hand to Bursa Malaysia in the opening bell on 4/5/2010, FBM KLCI rose higher to a day high of 1,349.92 as some traders chose to play on buying side in anticipation higher market. However, weak follow through buying support in area of **1,349.92** prompted profit taking activity to roll in, this pushed stock index down to a day low of **1,341.90** before settled at **1,342.89**.

The single-digit **drop** of 4.0 points in FBM KLCI was attributed to selling pressure in blue-chip counters such as **Genting** (down RM0.21), **Tanjong** (down RM0.20), **Bursa** (down RM0.13), **Proton** (down RM0.19) and **Public Bank** (down RM0.06).

What was the chart saying

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We saw weak buying confidence in area of 1,350 yesterday (4/5/2010), and it was a little surprise to see the non-readiness on the part of market to go above 1,350 level on immediate basis given the triple-digit gain in Wall Street. It basically indicated that KLCI has a characteristic of its own with external performance (especially Wall Street) only provided a knee-jerk reaction in the opening bell. The upside gap created on 30/4/2010 remained unfilled on 4/5/2010, this probably explained why many traders were not in a hurry to reverse their buying decision on 30/4/2010.

The gapped up scenario on 30/4/2010 suggested the urgency on the part of traders to acquire stocks, **what was so urgent that prompted those traders to establish positions on this day ?** It was believed to be market rebound from a level near to 1,320 to close above 1,330 level with a near day high scenario on 28/4/2010, and this 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.

For a decisive upside breakout, these market players need to be convinced of the value in buying price for new stock positions. And, it would be advisable for [market to take a pause between 1,337 and 1,347 for a little while 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 4/5/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions,** *this brought the number of stock positions established between 23/3/2010 and 4/5/2010 (inclusive dates) down to **67%** from **75%** (23/3/2010 – 3/5/2010) 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 4/5/2010 revealed**

that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,341.90.

Technical wise :

Mov.Avg. Conver/Divergence	MACD :	6.29	Signal :	6.69		
MACD line had on 13/4/2010 cut down the Signal line to emit a "sell" signal.						
Directional Movement Index	+DI :	32	-DI :	20	ADX	21
+DMI crossed over -DMI on 30/4/2010 to indicate an "up" move.						
Stochastics Oscillator	% K :	74.1	% D :	72.6		
%K line cut up the %D line to give a "buy" signal on 3/5/2010.						