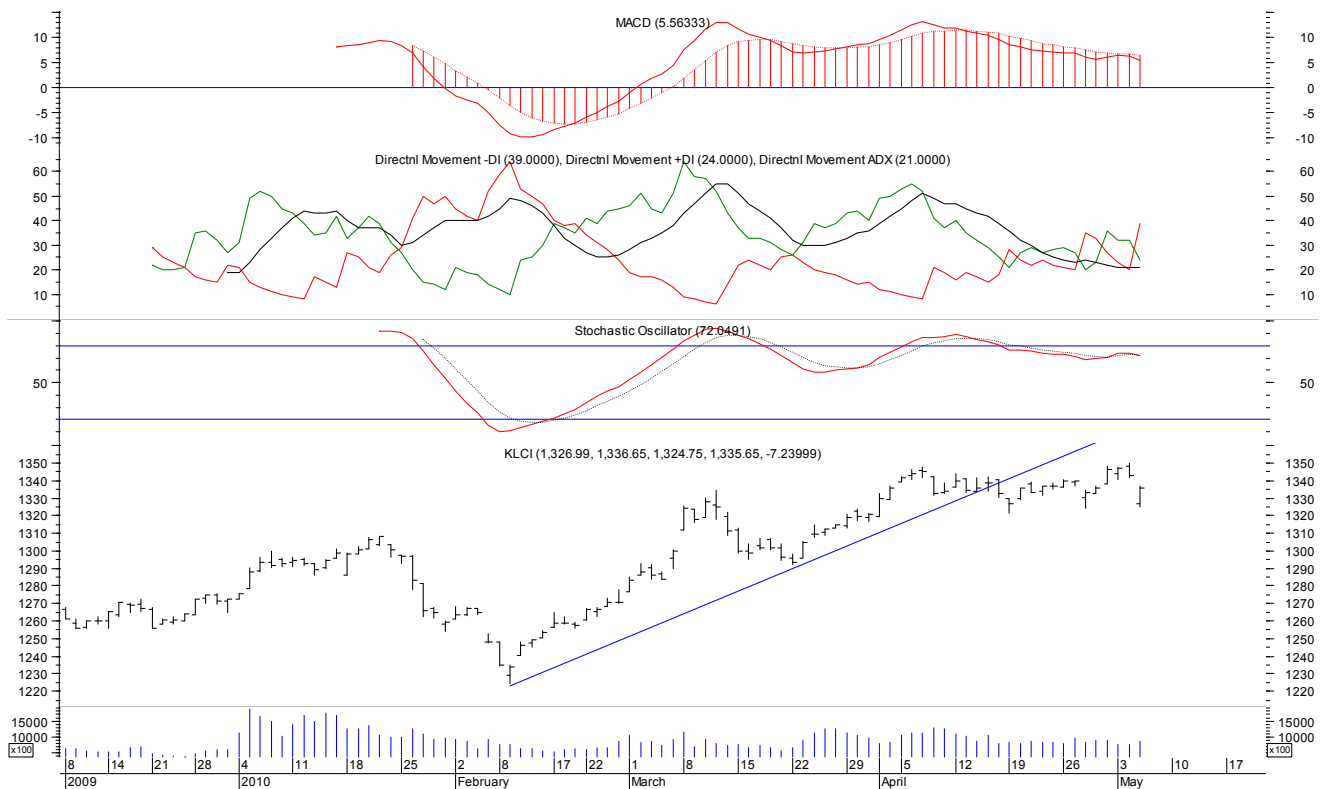


Technical Analysis – Daily FBM KLCI



Date	Open	High	Low	Close	Vol.
5/5/2010	1,326.99	1,336.65	1,324.75	1,335.65	861.4 mil
4/5/2010	1,348.36	1,349.92	1,341.90	1,342.89	767.4 mil

Rebounded into 1,330 zone

Market Commentary :

Dampened by fears of possible failure on Europe’s attempt to contain Greece’s debt crisis, DJIA registered biggest drop in 3 months on 4/5/2010 with a plunge of 225.06 points to close at 10,926.77.

The triple-digit loss in Wall Street sent a shivering nerve to Bursa Malaysia in the opening bell on 5/5/2010, FBM KLCI gapped down to break below 1,330 level to a day low of **1,324.75** as traders scrambled to unload their stock positions in anticipation of lower market. However, the inability on the part of market to go lower than **1,324.75** provided an opportunity to risk-taking traders to acquire cheaper stocks, market subsequently rebounded to climb back up into 1,330 zone with a day high of **1,336.65** before settled at **1,335.65**.

The single-digit **drop** of **7.24** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Maybank** (down RM0.02), **Tanjong** (down RM0.26), **Sime Darby** (down RM0.13), **Nestle** (down RM0.20) and **Hong Leong Bank** (down RM0.09).

What was the chart saying

We saw a big sell-off on opening bell yesterday (5/5/2010) when overnight Wall Street tumbled 225.06 points, and we had also lost 4 points in previous trading day (4/5/2010) despite a gain of 143.22 points in DJIA. **What can be said here ?** This kind of market (KLCI) scenario had a tendency to imply an underlying weakness or non-readiness on the part of market to trade upward on an immediate basis; but, with a higher inclination to consolidate downward.

This sharp fall with a downside gap created on 5/5/2010 may have negated the recent neutral with upside bias attempts to contain the indecisive trading environment; but, there were traders willing to play a supporting role in keeping the market afloat, and this can be seen from the repeat of history of 19/4/2010 & 28/4/2010 on 5/5/2010, where market rebounded to climb back up into 1,330 zone within the same day.

Market may be seen working hard to keep its stability above 1,330 level; however, 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.

Bears won control in the short term; but, the bulls were seen doing its utmost to recover the lost ground on 5/5/2010.

What were the strong hands doing

A check of internal market strength on 5/5/2010 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 5/5/2010 (inclusive dates) up to **84%** from **67%** (23/3/2010 – 4/5/2010) 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 5/5/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,336.65

Technical wise :

Mov.Avg. Conver/Divergence	MACD :	5.5	Signal :	6.4		
MACD line had on 13/4/2010 cut down the Signal line to emit a "sell" signal.						
Directional Movement Index	+DI :	24	-DI :	39	ADX	21
+DMI crossed below -DMI on 5/5/2010 to indicate a "down" move.						
Stochastics Oscillator	% K :	72.0	% D :	72.4		
%K line cut down the %D line to give a "sell" signal on 3/5/2010.						