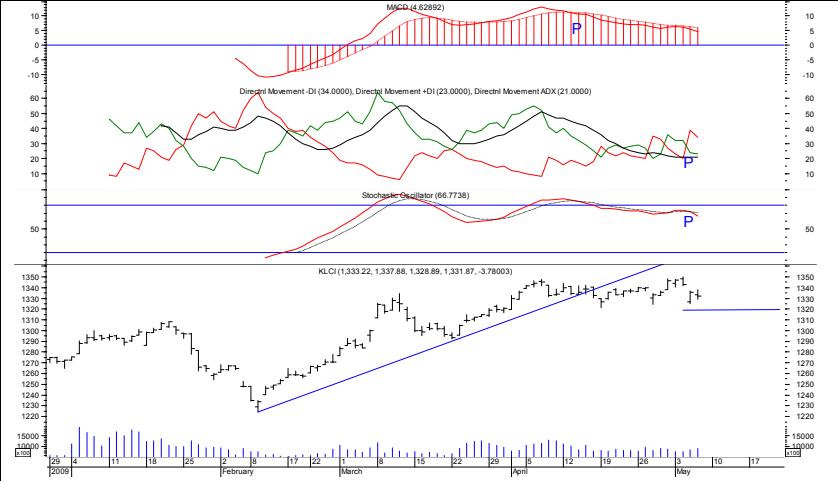


## Technical Analysis – Daily FBM KLCI

	6/5/2010	5/5/2010
Open	1,333.22	1,326.99
High	1,337.88	1,336.65
Low	1,328.89	1,324.75
Close	1,331.87	1,335.65
Volume	899.0 m	861.4 m
<b>Mkt Breadth</b>		
Up	137	193
Down	644	531
Unchanged	233	257
<b>Indicators</b>		
MACD	sell	sell
DM Index	sell	sell
Stochastics	sell	sell



**1,320 level seen unavoidable .....**

### Market Commentary :

Clouded by fears of possible failure on Europe's attempt to contain Greece's debt crisis, DJIA had on 5/5/2010 extended its fall with a drop of **58.65** points to close at 10,868.12.

The double-digit loss in Wall Street did not cause much of a stir to Bursa Malaysia in the opening bell on 6/5/2010, FBM KLCI traded higher to a day high of **1,337.88** as some traders took the chance to play on buying side. However, the inability on the part of market to go higher than 1,337.88 prompted renewed selling pressure, this pushed market down below 1,330 level to a day low of **1,328.89** before settled at **1,331.87**.

The single-digit **drop** of **3.78** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Maybank** (down **RM0.05**), **Sime Darby** (down **RM0.05**), **Parkson Hldgs** (down **RM0.09**), **Telekom M'sia** (down **RM0.01**) and **Axiata** (down **RM0.02**).

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

We did not see good buying support yesterday (6/5/2010) after the rebound from day low to close near day high in the preceding day amid another mild drop in overnight Wall Street. After the treacherous heart-pounding market play on 5/5/2010, bulls tried to regain its footing yesterday in attempt to contain the weak trading sentiment; but, bears seemed to have an upper hand again.

There were 2 conflicting forces in the market right now, one chose to play on selling side in area of 1,350 with the other playing on buying side in area of 1,320. **What did it tell us ?** This market would likely be trading in a symmetrical triangle pattern, and these 2 forces would converge as time passes by until we see a breakout at end of apex point of the pattern.

We saw a 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. **Does it mean an upside breakout**

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**command a higher probability ?** It is tough to tell exactly what the market will do in coming days; however, with much of uncertainties around, traders would be inclined to play on selling side.

Ladies & gentlemen, market has been working hard to keep stability above 1,330 level; but, 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 again on 6/5/2010..**

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

A check of internal market strength on 6/5/2010 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 6/5/2010 (inclusive dates) down to **75%** from **84%** (23/3/2010 – 5/5/2010) of what was sold from 12/3/2010 to 22/3/2010.

## **Conclusion :**

The **short term** had begun to turn **weak** with medium term market outlook still favourable. And, stock index would be losing its momentum if market were to break below 1,330 level again .....

**The analysis of overall daily market action(s) on 6/5/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,328.89.**