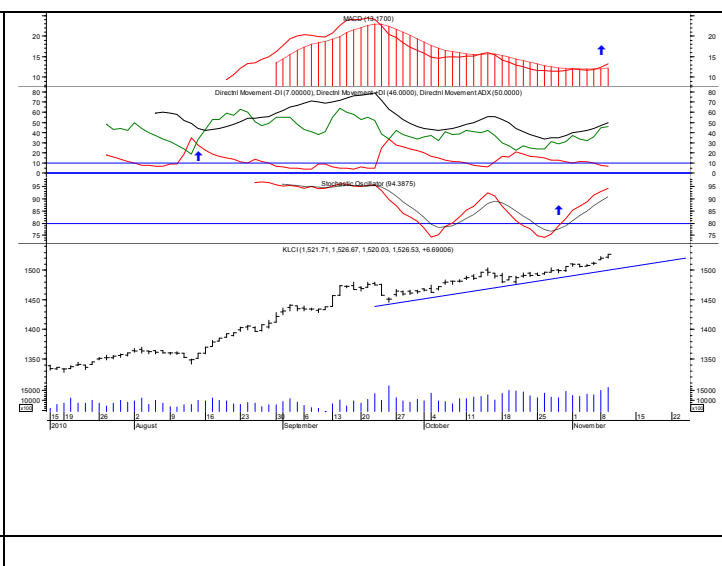


Technical Analysis – Daily FBM KLCI

	9/11/2010	8/11/2010
Open	1,521.71	1,517.01
High	1,526.67	1,522.77
Low	1,520.03	1,517.01
Close	1,526.53	1,519.84
Volume	1,643.5 m	1,520.2 m
Market Breadth		
Up	447	592
Down	412	291
Unchanged	270	253
Indicators		
MACD	buy	buy
DM Index	Buy	buy
Stochastics	buy	buy



New Record High

Market Commentary :

Affected by stronger dollar and a little extended market gains, DJIA had on 8/11/2010 lost **37.24** points to close at **11,406.84**.

The double-digit drop in Wall Street did not send a negative signal to Bursa Malaysia in the opening bell on 9/11/2010, FBM KLCI only traded to a day low of **1,520.03** as traders chose NOT to play a selling game in anticipation of higher market. In the absence of stronger selling pressure in area of **1,520.03**, renewed buying interest rolled in, and this lifted stock index to new high **1,526.67** before settled at **1,526.53**.

The **rise of 6.69** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.15 to RM8.50), **YTL Corp** (up RM0.10 to RM8.05), **Maybank** (up RM0.19 to RM9.29), **Hong Leong Bank** (up RM0.03 to RM9.36) and **KSeng** (up RM0.19 to RM6.24).

What was the chart saying

Market overcame the historical high of 1,524.69 yesterday to new record high of 1,526.67 given the up close in the preceding day (8/11/2010). It was not a surprise to see a higher high scenario on 9/11/2010, because the trading above 1,510 level on 4/11/2010 showed that there was an increased willingness to assume higher risk to acquire stocks.

Stock index remained in the uptrend, and the **breakaway** of small range platform on 8/11/2010 **suggested** an expectation of higher market, this can be seen from the upside gap created on 8/11/2010 even though there may be certain amount of disappointment on the part of traders over the weaker than expected follow thru buying support on 1/11/2010 after securing an up close above 1,500 level on 29/10/2010.

A catalyst to pull the stock index upward occurred on 8/11/2010, the higher market volume said it all.

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Apparently, a “hoo-haa” trading environment had been created with more speculative buying interest been drawn into the game; however, there were traders who still “doubtful” of the upside breakout, and the attempt to establish a better relationship between supply and demand seen unavoidable.

What would it imply for today’s market (10/11/2010) ? A small platform was seen underway while the upside gap left behind on 8/11/2010 should continue to augur well for the market as this gapped up scenario carried certain amount of positive impact in narrowing down the “mismatch” between market sentiment and the 1,500 level crossover.

On the other hand, the number of days spent above 1,500 level since 29/10/2010 exceeded the 3 days duration registered on 11/1/2008, and it should be another encouraging piece of information as it would directly help to instil the buying confidence in traders and investors.

Stock trading is a psychological game play, traders and investors needed a layer of defence to clear away the mental block we saw on 11/1/2008 where FBM KLCI only spent 3 trading days above 1,500 with stock index reached the highest high of 1,524.69 on 14/1/2008 before succumbed to heavy sell-off.

What were the strong hands doing

A check of internal market strength on 9/11/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions disposed from 26/10/2010 to 9/11/2010 was about 15% of what was acquired between 18/10/2010 and 25/10/2010 compared to 42% in the preceding day.

Conclusion :

Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level pegged at 1,470; but, 1,500 level should act as immediate support.

The analysis of overall daily market action(s) on 9/11/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,526.67.