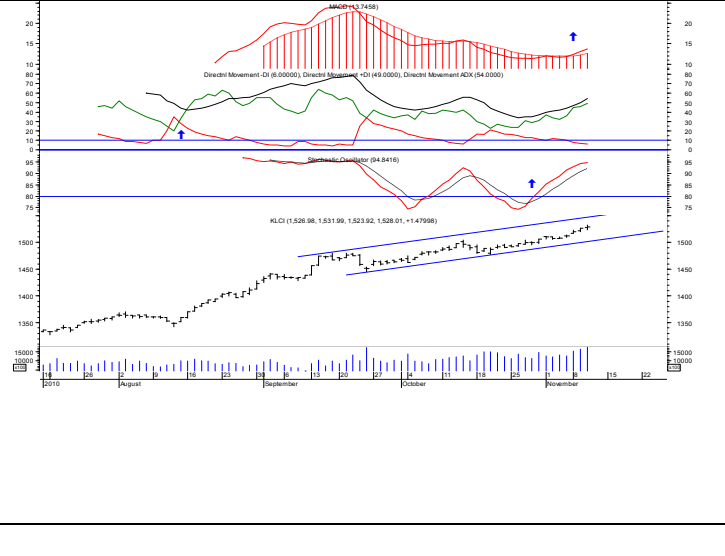


Technical Analysis – Daily FBM KLCI

	10/11/2010	9/11/2010	
Open	1,526.98	1,521.71	
High	1,531.99	1,526.67	
Low	1,523.92	1,520.03	
Close	1,528.01	1,526.53	
Volume	1,741.4 m	1,643.5 m	
Market Breadth			
Up	441	447	
Down	420	412	
Unchanged	268	270	
Indicators			
MACD	buy	buy	
DM Index	Buy	buy	
Stochastics	buy	buy	

Another new record high

Market Commentary :

Worried over Federal Reserve's bond buying program to lead a jump in inflation, DJIA had on 9/11/2010 lost **60.09** points to close at **11,346.75**.

The double-digit drop in Wall Street did not send a negative signal to Bursa Malaysia in the opening bell on 10/11/2010, FBM KLCI traded higher to another new high at **1,531.99** as traders continued to play on a buying game in anticipation of higher market. However, weak follow thru buying support in area of **1,531.99** prompted profit taking activity to roll in, and this put a pressure on stock index to a low **1,523.92** before settled at **1,528.01**.

The **rise** of **1.48** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up **RM0.06** to **RM8.56**), **YTL Corp** (up **RM0.03** to **RM4.75**), **Tenaga Nasional** (up **RM0.01** to **RM8.78**), **Hong Leong Bank** (up **RM0.44** to **RM9.80**) and **Public Bank** (up **RM0.02** to **RM12.82**).

What was the chart saying

Market pushed its way up into 1,530 zone with a new record high of **1,531.99** yesterday given the strong up close in the preceding day (9/11/2010). It was again not a surprise to see a higher high scenario on 10/11/2010, 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.

While it was understandable that investors were getting excited about the **NEW Record High** as it showed the more buying interest in the market; but, **what drove the stock index to this high level ?** It was the general positive market expectation that took the stock index to this unprecedented high level. And of course, the news that traders chose to play the market continued to foster a friendly trading sentiment for traders to participate the game.

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.

Can the rally go on ? The upside gap left behind on 8/11/2010 should continue to augur well for the market as this gapped up scenario helped to narrow down the negative impact created by the **"mismatch" between market sentiment and the 1,500 level crossover.**

The market may have appeared a little extended; but, there was no sign of stronger resistance selling pressure in area of 1,525 level. This market can thus be expected to test the next target at 1,550 level.

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

What were the strong hands doing

A check of internal market strength on 10/11/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions,** and the net number of stock positions **acquired from 4/11/2010 to 10/11/2010** was about **14% more than** what was **disposed** between 29/10/2010 and 3/11/2010.

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 10/11/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,531.99.