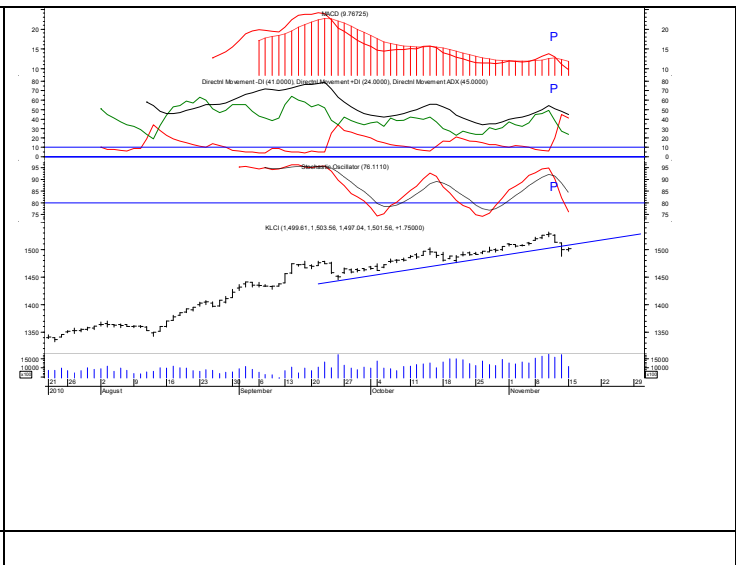


**Technical Analysis – Daily FBM KLCI**

	15/11/2010	12/11/2010
Open	1,499.61	1,512.40
High	1,503.56	1,512.53
Low	1,497.04	1,488.06
Close	1,501.56	1,499.81
Volume	1,086.8 m	1,724.6 m
<b>Market Breadth</b>		
Up	330	155
Down	442	771
Unchanged	288	198
<b>Indicators</b>		
MACD	Sell	Sell
DM Index	sell	sell
Stochastics	sell	sell



**A close above 1,503 necessary.....**

**Market Commentary :**

Dampened by threat of rising interest rates in China and debt problem in Ireland, DJIA had on 12/11/2010 lost **90.52** points to close at **11,192.58**.

This double-digit loss in Wall Street did not send a strong negative signal to Bursa Malaysia in the opening bell on 15/11/2010, FBM KLCI only traded to a low of **1,497.04** as traders decided not to stage a follow thru selling interest. In the absence of stronger selling pressure in area of **1,497.04**, bargain hunting interest rolled in, this lifted stock index into 1,500 zone to a day high of **1,503.56** before settled at **1,501.56**.

The **rise of 1.75** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up **RM0.01** to **RM8.31**), **Genting** (up **RM0.30** to **RM10.46**), **Tenaga Nasional** (up **RM0.01** to **RM8.52**), **KLK** (up **RM0.04** to **RM19.84**) and **KFC Hldgs** (up **RM0.02** to **RM4.18**).

**What was the chart saying .....**

Market had on 15/11/2010 kept its day low above last Friday low after suffering 2 days of sharp decline (11/11/2010 and 12/11/2010). It was indeed a surprise to see stock index not making a lower low, because the sell-off on 12/11/2010 was so great that a follow thru selling activity should have ensued. **Why didn't we see another day of sharp fall on 15/11/2010 ?** May be traders had viewed the 44 points drop (high on 10/11/2010 to low 12/11/2010) as a little overdone for the time being, it was thus believed that market should consolidate before the next move.

The smaller trading range on 15/11/2010 helped to form an inside bar. An inside bar is being described as trading uncertainty with traders chose to be on sidelines. This market was seen in need of certain amount of cooling period in order to present a clearer market path, because the sell-offs on 11/11/2010 and 12/11/2010 to lock in profits was something unusual in view of the smooth and steady gains since 4/11/2010 prior to the decline on 11/11/2010.

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Thus, the sharp falls on 11/11/2010 and 12/11/2010 had many traders thought that this market rally ended with a peak recorded at 1,531.99 on 10/11/2010. **A check on how this market carried itself in the past 6 days suggested the reluctance on the part of traders to be aggressively committed on buying side in area of 1,531 level, and the violation of 1,503 support level on 12/11/2010 did not seem to augur well for a friendly market development unless we could see a reverse up move above 1,503 level on close basis.**

**The closure of the upside gap left behind on 8/11/2010 at 1,513 level** may not necessary signal an immediate rebound from thereon as certain strong hands may want to take further advantage of the looming uneasy feelings by exerting more selling pressures to push the stock index lower in an attempt to flush out weak hands.

**With 1,503 support being violated on the downside decisively on 12/11/2010, what would happen on Tuesday (16/11/2010) ?** No one knows for sure what this market would do for tomorrow or next week; but, trading sentiment was believed to have turned not-so-friendly as 1,500 level was established on psychologically basis. Nevertheless, **this market must climb back up above 1,503 level on close basis to see a reversal.**

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

A check of internal market strength on 15/11/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions**, and the net number of stock positions **liquidated** on **11/11/2010 and 15/11/2010** was about **331% more than** what was **acquired** between 8/11/2010 and 10/11/2010 compared to **303%** 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 1,475.**

**The analysis of overall daily market action(s) on 15/11/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,503.56.**