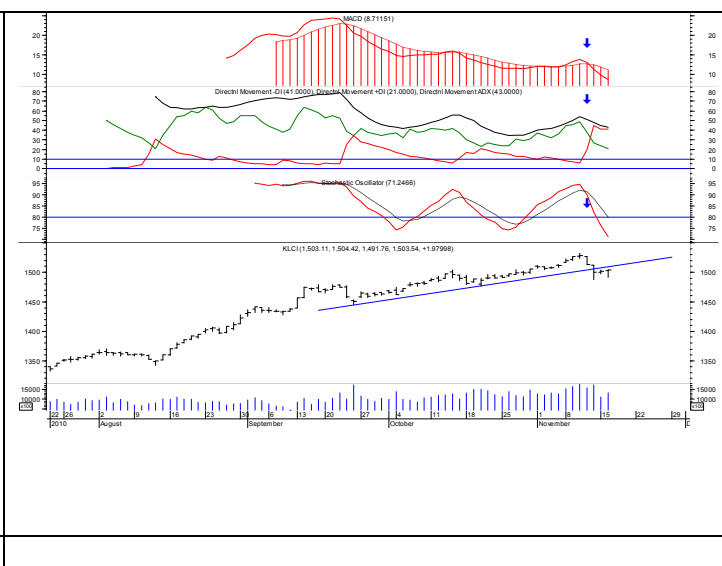


Technical Analysis – Daily FBM KLCI

	16/11/2010	15/11/2010
Open	1,503.11	1,499.61
High	1,504.42	1,503.56
Low	1,491.76	1,497.04
Close	1,503.54	1,502.79
Volume	1,325.3 m	1,086.8 m
Market Breadth		
Up	203	330
Down	645	442
Unchanged	253	288
Indicators		
MACD	Sell	Sell
DM Index	sell	sell
Stochastics	sell	sell



More convincing close above 1,503 needed

Market Commentary :

Led by gains in Dollar over concerns that Ireland may seek help from its fellow members in EU, DJIA had on 15/11/2010 gained 9.39 points to close at 11,201.97.

This single-digit gain in Wall Street helped to send a friendly signal to Bursa Malaysia in the opening bell on 16/11/2010, FBM KLCI traded higher to a high of 1,504.42 as traders decided not to play a selling game in anticipation of higher market. However, non-follow thru buying support in area of 1,504.42 prompted renewed selling interest to roll in, this pushed stock index down to a day low of 1,491.76 before settled at 1,503.54 on last minute of selective blue chip buying.

The rise of 1.98 point(s) in FBM KLCI was attributed to buying pressure in blue-chip counters such as Sime Darby (up RM0.02 to RM8.80), GenM (up RM0.03 to RM3.52), Tenaga Nasional (up RM0.25 to RM8.77), IOI Corp (up RM0.01 to RM5.90) and PetDag (up RM0.30 to RM11.18).

What was the chart saying

Market had on 16/11/2010 traded lower on the back of insider day bar in the preceding day. It was not much of a surprise to see stock index making a lower low on 16/11/2010, because the sell-offs on 11/11/2010 and 12/11/2010 continued to linger in traders' mind. **Why didn't we see another day of sharp down close on 16/11/2010 ?** 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, and they expected the stock index to consolidate before the next move.

Market had on 16/11/2010 continued to display its directionless movement as stock index was still within the range bar on 15/11/2010, this indicated that market was in need of certain amount of cooling period especially after the unusual sell-offs on 11/11/2010 and 12/11/2010.

A check on how this market carried itself in the past 7 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.

And, 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, and an up close above 1,503 level on 16/11/2010 , what would happen on Thursday (18/11/2010) ? It was good to see the market to settle above 1,503 level on 16/11/2010; but, the last minute buying of selective blue chip was not impressive at all to give a confirmation. On this note, buying interest with a close above 1,503 level must be convincing. On this note, trading sentiment was believed to have remained not-so-friendly at this juncture.

What were the strong hands doing

A check of internal market strength on 16/11/2010 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 16/11/2010 was about 409% more than what was acquired between 8/11/2010 and 10/11/2010 compared to 331% 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 16/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,491.76 after making attempt to go higher than 1,504.42