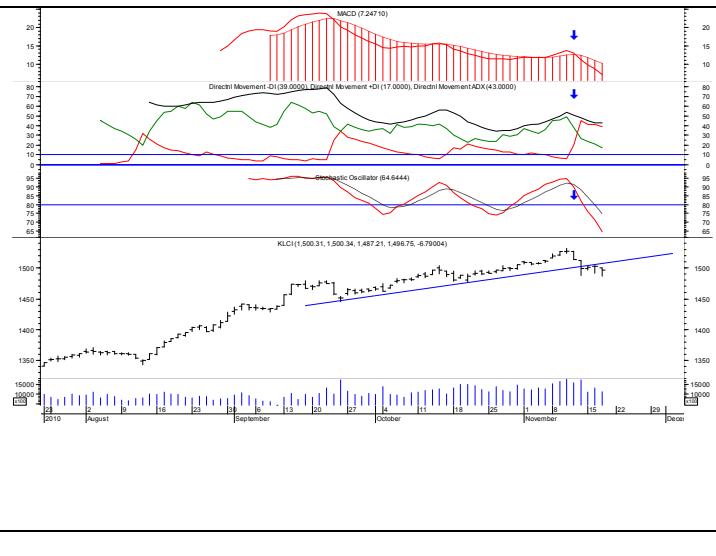


Technical Analysis – Daily FBM KLCI

	18/11/2010	16/11/2010	
Open	1,500.31	1,503.11	
High	1,500.34	1,504.42	
Low	1,487.21	1,491.76	
Close	1,496.75	1,503.54	
Volume	1,123.9 m	1,325.3 m	
Market Breadth			
Up	404	203	
Down	362	645	
Unchanged	288	253	
Indicators			
MACD	Sell	Sell	
DM Index	sell	sell	
Stochastics	sell	sell	

Trying to stay close to 1,500 level

Market Commentary :

Concerns over the need by Ireland to get outside help to repay its debts coupled with a steep drop in housing construction in US in October 2010, DJIA had on 17/11/2010 lost **15.62** points to close at **11,007.88**.

This double-digit drop in Wall Street sent a negative signal to Bursa Malaysia in the opening bell on 18/11/2010, FBM KLCI traded only to a high of **1,500.34** as traders were seen not comfortable to play a buying game in anticipation of lower market. In the absence of stronger buying support at **1,500.34**, renewed selling interest rolled in, this pushed stock index down to a day low of **1,487.21** before settled at **1,496.75**.

The **fall of 6.89** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Hong Leong Bank** (down **RM0.03** to **RM9.54**), **GenM** (down **RM0.06** to **RM3.46**), **Tenaga Nasional** (down **RM0.08** to **RM8.69**), **KLK** (down **RM0.02** to **RM19.82**) and **Genting** (down **RM0.42** to **RM10.04**).

What was the chart saying

Market had on 18/11/2010 come under selling pressure to go under the immediate low of 1,488.06 (12/11/2010) after 2 days of trading within the range bar on 12/11/2010. It was not much of a surprise to see stock index making a lower low yesterday, because the sell-offs on 11/11/2010 and 12/11/2010 continued to linger in traders' mind.

Why did we see a down close day on 18/11/2010 ? Well, traders may have reached first point of time to make a guess estimate about the market weak strength in making a strong comeback after witnessing the way this market carried itself on 15/11/2010 and 16/11/2010. And, the downward stretch made by stock index on 18/11/2010 could be the initial attempt on the part of market to pull away.

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A check on how this market carried itself in the past 6 days (10/11/2010 – 18/11/2010) 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 would continue to cast a negative picture unless we could see a convincing reverse up move above 1,503 level on close basis (FYI : CI settled at 1,503.54 on 16/11/2010 on last minute buying of selective blue chip).

And, the closure of the upside gap left behind on 8/11/2010 at 1,513 level again did not create an immediate market rebound from thereon, this showed that 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. On this note, buying interest with a close above 1,503 level must be convincing, and trading sentiment was believed to have remained not-so-friendly at this juncture.

We would not be likely to see a return of “good” renewed buying interest unless market makes its test of low in the vicinity of 1,475 level.

What were the strong hands doing

A check of internal market strength on 18/11/2010 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 18/11/2010 was about 480% more than what was acquired between 8/11/2010 and 10/11/2010 compared to 409% 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 18/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,487.21