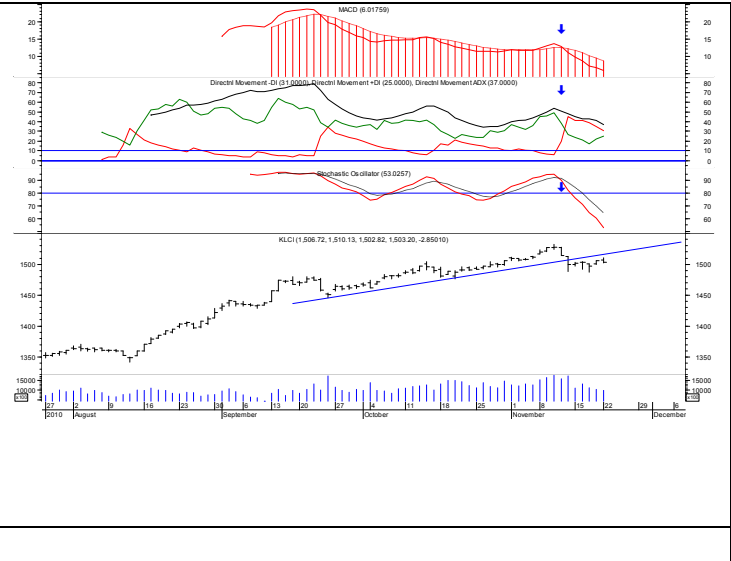


## Technical Analysis – Daily FBM KLCI

	22/11/2010	19/11/2010	
Open	1,506.72	1,500.81	
High	1,510.13	1,506.20	
Low	1,502.82	1,499.78	
Close	1,503.20	1,506.05	
Volume	968.8 m	1,023.7 m	
<b>Market Breadth</b>			
Up	350	467	
Down	398	288	
Unchanged	289	299	
<b>Indicators</b>			
MACD	Sell	Sell	
DM Index	sell	sell	
Stochastics	sell	sell	

### Building a platform with hurdle at 1,514 .....

### Market Commentary :

Led by reported strong earnings from Dell, and Chinese decision to raise bank reserve requirement to trim lending and reduce inflationary pressure, DJIA had on 19/11/2010 gained **22.32** points to close at **11,203.55**.

This double-digit gain in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 22/11/2010, FBM KLCI traded higher into 1,510 zone to a high of **1,510.13** as some traders chose to play a buying game in anticipation of higher market. However, weak follow thru buying support in area of **1,510.13** prompted profit taking activity to roll in, this pushed stock index down to a day low of **1,502.82** before settled at **1,503.20**.

The **drop** of **2.85** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Hong Leong Bank** (down RM0.06 to RM9.52), **Genting** (down RM0.06 to RM10.16), **Tenaga Nasional** (down RM0.03 to RM8.67), **IOI Corp** (down RM0.02 to RM5.87) and **Maybank** (down RM0.03 to RM8.93).

### What was the chart saying .....

Market continued to trade higher on 22/11/2010 following the up close scenario on 19/11/2010, and there was no much of a surprise as the close above 1,503 on 19/11/2010 somehow provided certain amount of risk buying confidence even though market was earlier fighting hard to hold up the market in the face of selling pressures for 3 days prior to 19/11/2010 (FYI : we had mentioned in our earlier market reports that it was necessary for the stock index to climb back up above 1,503 level to see higher level).

It was indeed good to see FBM KLCI climbing higher again on 22/11/2010; but, the stock index remained within the range of the day bar registered on 12/11/2010, which showed that market has yet to come out from the sell-offs on 11/11/2010 and 12/11/2010. **What did it imply ?** Certain

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traders wanted to keep the market within the “manageable” levels. By keeping the stock index between these levels, market sentiment would still stay friendly in the eyes of traders and investors; a small platform would subsequently begin to shape up, traders would then be waiting for the right timing to execute next trade plan. **This explained why we did not see a surge in stock index on 22/11/2010.**

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

A check of internal market strength on 22/11/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions liquidated on 11/11/2010 and 22/11/2010 was about 156% more than what was acquired between 8/11/2010 and 10/11/2010 compared to 333% 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 1,480.**

**The analysis of overall daily market action(s) on 22/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,502.82.**