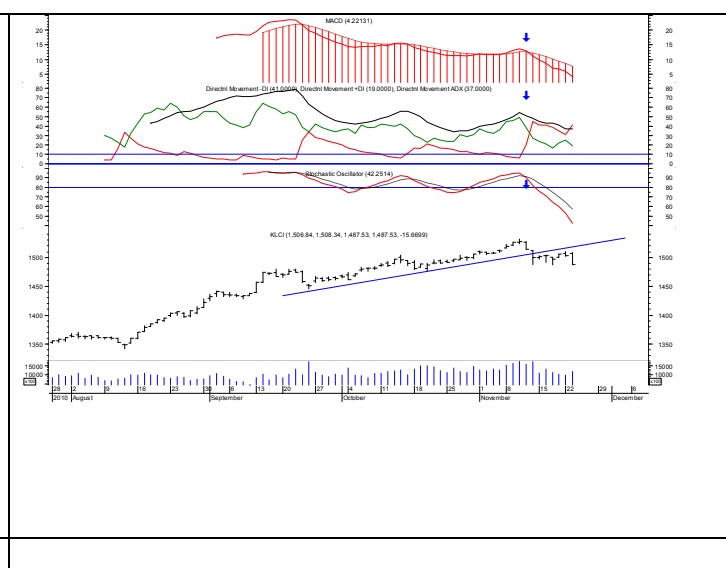


Technical Analysis – Daily FBM KLCI

	23/11/2010	22/11/2010
Open	1,506.84	1,506.72
High	1,508.34	1,510.13
Low	1,487.53	1,502.82
Close	1,487.53	1,503.20
Volume	1,175.0 m	968.8 m
Market Breadth		
Up	96	350
Down	784	398
Unchanged	196	289
Indicators		
MACD	Sell	Sell
DM Index	Sell	sell
Stochastics	Sell	sell



Unwinding continued

Market Commentary :

Dampened by anxiety over Europe's financial crisis and a widening probe into insider trading on Wall Street, DJIA had on 22/11/2010 lost **24.97** points to close at **11,178.58**.

This double-digit loss in Wall Street did not send an immediate negative signal to Bursa Malaysia in the opening bell on 23/11/2010, FBM KLCI traded to a high of **1,508.34** as some traders chose to play a buying game. However, weak follow thru buying support in area of **1,508.34** prompted profit taking activity to roll in, this pushed stock index below 1,500 level to a day low of **1,487.53** before settled at **day low**.

The **drop** of **15.67** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Hong Leong Bank** (down RM0.38 to RM9.14), **Genting** (down RM0.12 to RM10.04), **Tenaga Nasional** (down RM0.16 to RM8.51), **IOI Corp** (down RM0.04 to RM5.83) and **Maybank** (down RM0.14 to RM8.79).

What was the chart saying

Market did not trade higher on 23/11/2010 following the down close scenario in the preceding day. **How could it be possible when the stock index already made a move to break into 1,510 zone on 22/11/2010 ?** Some of you were scratching their heads for an answer; but, it was not much of a surprise as market simply could not find its sustaining power above 1,510 level even though there was an intra-day breakout, and many were also expecting resistance selling in vicinity of 1,514. So, why risked when the high of 1,510.13 on 22/11/2010 was near to the 1,514 hurdle. On this note, traders apparently had decided not to take the risk to establish stock positions on 23/11/2010.

The close above 1,503 on 19/11/2010 may have given a friendly indication to certain amount of risk buying confidence on 22/11/2010 after fighting hard to hold up the market in the face of selling

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pressures for 3 days prior to 19/11/2010. **BUT**, it was unavoidable to see that the settlement on 19/11/2010 was "done" on last minute of selective buying of blue chip stock(s). Many traders were not convinced of the closing on 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 on a convincing manner).

The other reason behind the sell down on 23/11/2010 was due to the daily market range "confinement" (19/11/2010) within the range of the day bar registered on 12/11/2010. This created a level of uncertainty to the traders, and it basically said that market has yet to come out from the sell-offs on 11/11/2010 and 12/11/2010. **What did it imply ?**

The sell-off on 23/11/2010 was so powerful that it pulled the stock index down in attempt to break the lower band of the "prescribed range" between 1,487 and 1,514. At a low of **1,487.53** on 23/11/2010, the stock index may be still above the low of 1,487.21 registered on 18/11/2010; but, it would be **JUST** a matter of time before the next expected wave of selling on 24/11/2010 to push the market down to a crucial support at 1,480 level.

A downside violation of 1,487.21 level would not see a formation of small platform that was earlier expected to shape up.

What were the strong hands doing

A check of internal market strength on 23/11/2010 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 23/11/2010** was about **296% more than** what was **acquired** between 8/11/2010 and 10/11/2010 compared to **156%** 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 23/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,487.53.