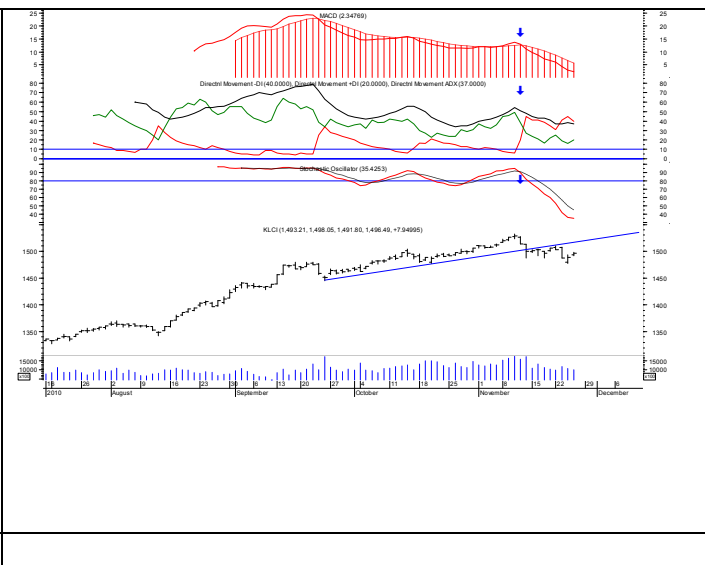


Technical Analysis – Daily FBM KLCI

	25/11/2010	24/11/2010	
Open	1,493.21	1,479.90	
High	1,498.05	1,493.01	
Low	1,491.80	1,476.82	
Close	1,496.49	1,488.54	
Volume	1,000.1 m	1,064.5 m	
Market Breadth			
Up	463	537	
Down	291	267	
Unchanged	287	235	
Indicators			
MACD	Sell	Sell	
DM Index	Sell	sell	
Stochastics	Sell	sell	

1,480 level remained critical

Market Commentary :

Encouraged by fundamental signs of improving economy on the back of rising income and consumer spending, DJIA had on 24/11/2010 gained **150.91** points to close at **11,187.28**.

This triple-digit gain in Wall Street sent an immediate positive signal to Bursa Malaysia in the opening bell on 25/11/2010, FBM KLCI only traded to a low of **1,491.80** as traders decided to play on buying side. Under greater buying support, stock index rose higher to high of **1,498.05**, and kept its position on the high end throughout the trading sessions before settled at **1,496.49**.

The **rise** of **7.95** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Hong Leong Bank** (up RM0.01 to RM9.32), **Genting** (up RM0.28 to RM10.40), **CIMB** (up RM0.05 to RM8.39), **Parkson** (up RM0.11 to RM5.90) and **Sime Darby** (up RM0.04 to RM8.73).

What was the chart saying

Market went on to trade higher on 25/11/2010 following the positive up close in the preceding day. The non sell-off in yesterday (25/11/2010) was within expectation, because the ability on the part of stock index to rebound with a positive settlement note showed the availability of buying support in the area of 1,480.

It was indeed good to see a higher market on 25/11/2010, for it helped to cool off the recent selling pressure by keeping the negative trading sentiment at bay for a moment. This was crucial if we wanted to see the light of market recovery, the negative sentiment must first be contained then to be followed by mending process (consolidation).

Why did we see further market rebound on 25/11/2010 ? Like what we had said in our report written on 24/11/2010 for 25/11/2010, the downside violation of 1,480 level on 24/11/2010

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should shy traders away from this weak market theoretically; but, risk taking traders often believed that this market would manage to steal a rebound in the initial downside violation of important technical support level, the upward move on 25/11/2010 was merely just another buying activity in anticipation of higher market.

A friendly market development occurred on 24/11/2010, because at the end of market trading yesterday, stock index had not only closed above the opening level, it had also settled with an up close. **What did it tell us ?** The intra-day low market on 24/11/2010 helped to shake out the weak hands while respecting the technical support level at 1,480 level.

Ladies and gentlemen, the market was in need of a pullback. The pullback from the historical peak at 1,531.99 (10/11/2010) to the low of 1,476.82 (24/11/2010) was about 3.6%, and this kind of % retracement was still considered normal.

Bulls and bears would continue to battle out each other in an attempt to gain a control in the game. The bulls had an upper hand over the bears in the last 2 days (24/11/2010 & 25/11/2010), and it would be interesting to see how these bulls would re-align their bullish strategies to turn the market around to go up north. Keeping in mind, the sell down on 23/11/2010 basically suggested that market has yet to come out from the sell-offs on 11/11/2010 and 12/11/2010.

A convincing breakdown under this 1,480 level would signal a potential phase of change to warning. If this were to happen, a shift in market trend would begin, and the market top at 1,531.99 would be put in place. Conversely, a decisive move above 1,510 level with settlement for 3 days in a row would be pointing to an upward leg.

What were the strong hands doing

A check of internal market strength on 25/11/2010 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 25/11/2010* was about *124% more than* what was *acquired* between 8/11/2010 and 10/11/2010 compared to *199%* 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 25/11/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,498.05.