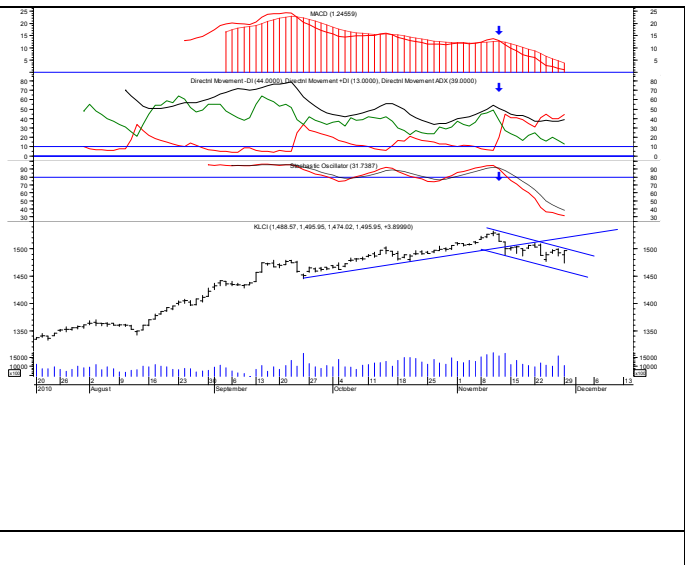




Technical Analysis – Daily FBM KLCI

	29/11/2010	26/11/2010
Open	1,488.57	1,498.68
High	1,495.95	1,500.18
Low	1,474.02	1,486.69
Close	1,495.95	1,492.05
Volume	1,049.5 m	1,574.3 m
Market Breadth		
Up	293	224
Down	463	562
Unchanged	274	273
Indicators		
MACD	Sell	Sell
DM Index	Sell	sell
Stochastics	Sell	sell



1,480 level still in tact

Market Commentary :

Worried over the risk of wider spread of Euro-Zone debt problem, DJIA had on 26/11/2010 fallen 95.28 points to close at 11,092.

The double-digit drop in Wall Street sent an immediate negative effect to Bursa Malaysia in the opening bell on 29/11/2010, FBM KLCI traded came under selling pressure to break below 1,480 level to reach lowest low of 1,474.02 since 6/10/2010 as traders decided to play on selling side in anticipation of lower market. However, bargain hunting activity rolled in, this lifted stock index back up above 1,490 level before settled at day high of 1,495.95 on last minute buying of selective blue chip stock.

The **rise of 3.90** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Hong Leong Bank (up RM0.10 to RM9.30)**, **Sime Darby (up RM0.09 to RM8.80)**, **AMMB (up RM0.04 to RM6.12)**, **CIMB (up RM0.07 to RM8.48)** and **PB Bank (up RM0.04 to RM12.84)**.

What was the chart saying

The lower low market scenario in yesterday may have posed a surprise to many traders; but, it was not something unexpected as there was already a heavy selling pressure in the market on 26/11/2010 when stock index failed to keep its footing above 1,500 zone. The follow thru selling on 29/11/2010 was thus merely indicated the willingness on the part of traders to lock in their winning trades.

Like 24/11/2010, market rebounded from day low to climb back up into 1,480 zone, it showed the availability of buying support in the area of 1,480. **Why ?** 1,480 level was viewed a critical level to protect, there were traders who did not want to see a downside breakout of 1,480 level in fear of more severe follow thru selling pressure to push the market much lower. **How ?** A downside

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violation of 1,480 level on close basis in first attempt would begin to instil a pessimistic market outlook, traders would then become more cautious about the game play on buying side.

This market needed a cooling period after the recent selling pressure. A reasonable cooling period was seen inevitable, and the prevailing negative sentiment must first be contained then to be followed by mending process (consolidation).

Can we still see the rebound if stock index were to hit below 1,480 level again ? Risk taking traders often believed that this market would manage to steal a rebound in the initial downside violation of important technical support level, and a rebound from day low would always be there so long the buying power is greater than selling pressure. However, the buying support would have a tendency to get weaker in protecting a critical supporting level if persistent attempts to break the support level were to be seen.

Bulls and bears would continue to battle out each other in attempt to gain a control. The bulls were seen with an upper hand over the bears yesterday (29/11/2010), and it would be interesting to see how these bulls re-align their bullish strategies to turn the market around to go up north in coming days. *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 29/11/2010 showed that buying strength *improved marginally* with strong hand(s) seen *acquiring a small portion of buying positions*, and the net number of stock positions *liquidated* on *11/11/2010 and 29/11/2010* was about *221% more than* what was *acquired* between 8/11/2010 and 10/11/2010 compared to *233%* 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 29/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,474.02 after making attempt to go higher than 1,495.05.