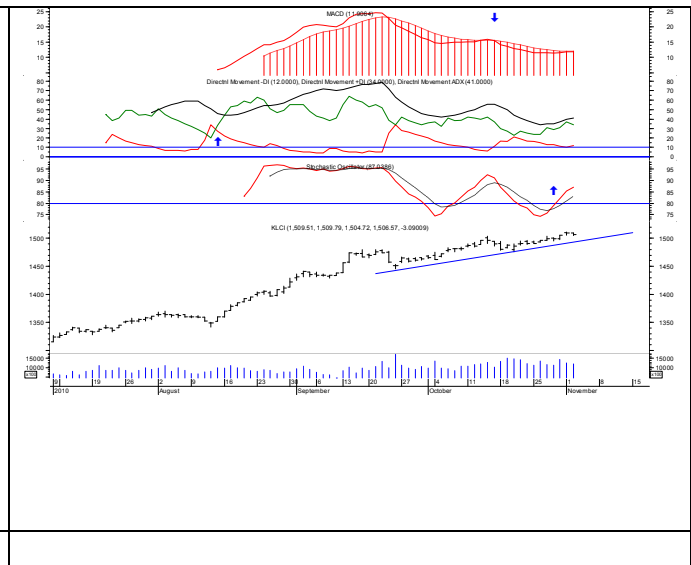




Technical Analysis – Daily FBM KLCI

	2/11/2010	1/11/2010
Open	1,509.51	1,510.69
High	1,509.79	1,511.24
Low	1,504.72	1,506.31
Close	1,506.57	1,509.66
Volume	1,200.2 m	1,271.4 m
Market Breadth		
Up	279	344
Down	463	440
Unchanged	320	316
Indicators		
MACD	Sell	sell
DM Index	Buy	buy
Stochastics	buy	buy



Buying excitement must be created

Market Commentary :

Led by reports of unexpected growth in the manufacturing industry in US to 56.9 in October 2010 from 54.4 a month earlier, DJIA had on 1/11/2010 gained **6.13** points to close at **11,124.62**.

The single-digit rise in Wall Street did not create any excitement to Bursa Malaysia in the opening bell on 2/11/2010, FBM KLCI only traded to a day high of **1,509.79** as traders decided not to chase up the market. In the absence of weaker buying support at **1,509.79**, profit taking activity rolled in, and this put a pressure on stock index down to a low of **1,504.72** before settled at **1,506.57**.

The **drop** of **3.09** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **KLK** (down RM0.04 to RM19.74), **AMMB** (down RM0.05 to RM6.30), **Maybank** (down RM0.02 to RM8.98), **CIMB** (down RM0.01 to RM8.35) and **IOI Corp** (down RM0.02 to RM5.83).

What was the chart saying

Market did not trade higher on 2/11/2010; but, continued to move above 1,500 level given the up close scenario in the preceding day. Many of traders out there must be wondering why market could not trade into 1,510 zone yesterday after the intra-day high of 1,511.24 on 1/11/2010. Market did encounter profit taking pressure in the vicinity of 1,510 level on 1/11/2010, and many traders were also seen disappointed with the weaker than expected follow thru buying support on 1/11/2010, because market should have found greater strength on 1/11/2010 after securing an up close above 1,500 level on 29/10/2010.

There was follow thru buying support on 1/11/2010 except it was not forceful enough to create a "hoo-haa" trading environment to induce more speculative buying interest, this had a spill over effect into the game play on 2/11/2010. On this note, it appeared that this market was looking for a catalyst to really carry the market upward on a

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sustainable basis even though the stock index remained in the uptrend and there was underneath buying support in recent price action.

What would it imply for today's market (3/11/2010) ? Now, we had seen 3 closes above 1,500 level for 3 days in a row, the market should theoretically hold its position above 1,500 level; but, it was still premature to confirm as traders and investors were seen not getting excited about this market at all. In other words, there was a "mismatch" between market sentiment and 1,500 level crossover.

Without the players' commitment to acquire more stock positions above 1,500 level, this market would be turning into sideways.

Thus, psychologically, 1,500 level to remain a "barrier" as the last time this 1,500 level was broken, it was in 11/1/2008. And, FBM KLCI only spent 3 trading days above 1,500 with stock index reached the highest high of 1,524.69 on 14/1/2008 before succumbed to profit taking pressure.

What were the strong hands doing

A check of internal market strength on 2/11/2010 showed that buying strength *weakened marginally* with strong hand(s) seen *disposing a portion of buying positions*, and the net number of stock positions *disposed from 26/10/2010 to 2/11/2010* was about *28% of* what was *acquired* between 18/10/2010 and 25/10/2010.

Conclusion :

Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level pegged at 1,460; but, 1,490 level should act as immediate support.

The analysis of overall daily market action(s) on 2/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,504.73.