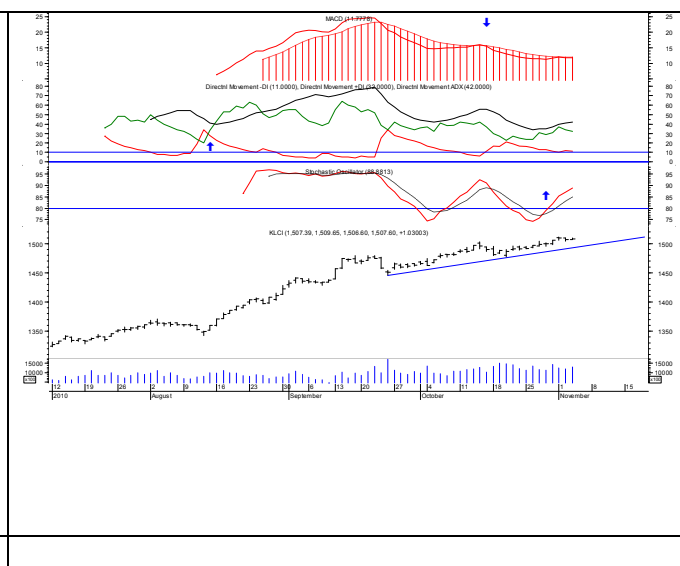


Technical Analysis – Daily FBM KLCI

	3/11/2010	2/11/2010
Open	1,507.39	1,509.51
High	1,509.65	1,509.79
Low	1,506.60	1,504.72
Close	1,507.60	1,506.57
Volume	1,325.0 m	1,200.2 m
Market Breadth		
Up	503	279
Down	280	463
Unchanged	307	320
Indicators		
MACD	Sell	sell
DM Index	Buy	buy
Stochastics	buy	buy



Buying volume chipped in

Market Commentary :

Held back by result of Congressional elections, DJIA had on 2/11/2010 gained **64.10** points to close at **11,188.72**.

The double-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 3/11/2010, FBM KLCI traded to a day high of **1,509.65** as some traders chose to play a buying game. However, weak follow thru buying support in area of **1,509.65** prompted light profit taking activity to roll in, and this put a pressure on stock index to a low of **1,506.6** before settled at **1,507.6**.

The **rise** of **1.03** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **KLK** (up RM0.06 to RM19.80), **AMMB** (up RM0.02 to RM6.32), **Maybank** (up RM0.01 to RM8.99), **Tenaga Nasional** (up RM0.03 to RM8.82) and **IOI Corp** (up RM0.01 to RM5.84).

What was the chart saying

Market continued to move above 1,500 level on 3/11/2010 despite the down close scenario in the preceding day. This was something **positive** to see at this juncture, because it showed the presence of buying support in the vicinity of 1,500 level in the face of profit taking pressure on 2/11/2010 and 1/11/2010. Furthermore, many traders were also seen disappointed with the weaker than expected follow thru buying support on 1/11/2010 after securing an up close above 1,500 level on 29/10/2010.

However, this market was in need of a forceful follow thru buying support to create a "hoo-haa" trading environment in order to induce more speculative buying interest. On this note, it appeared that this market was looking for a catalyst to really carry the market upward on a sustainable basis even though the stock index remained in the uptrend and there was underneath buying support in recent price action.

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What would it imply for today's market (4/11/2010) ? The ability on the part of stock index to hold above 1,500 level continued to augur well for the market; but, traders and investors had yet to get very excited about this market. A "mismatch" between market sentiment and the 1,500 level crossover had occurred, and this kind of mismatch scenario required players' commitment to acquire more stock positions ; otherwise, this market would be turning into sideways.

In fact, the reason behind the recent "cautious" play above 1,500 level was not something beyond understanding 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 heavy sell-off.

What were the strong hands doing

A check of internal market strength on 3/11/2010 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 3/11/2010 was about 42% of what was acquired between 18/10/2010 and 25/10/2010 compared to 28% 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 1,460; but, 1,490 level should act as immediate support.

The analysis of overall daily market action(s) on 3/11/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,509.65.