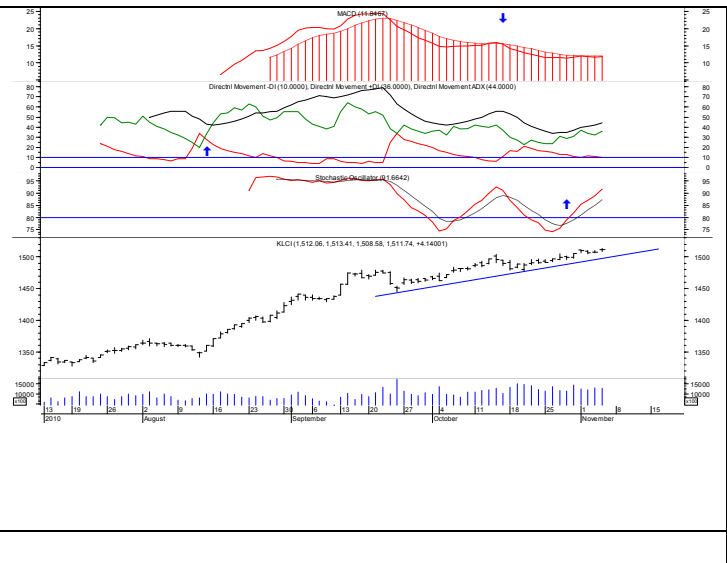


## Technical Analysis – Daily FBM KLCI

	4/11/2010	3/11/2010	
Open	1,512.06	1,507.39	
High	1,513.41	1,509.65	
Low	1,508.58	1,506.60	
Close	1,511.74	1,507.60	
Volume	1,275.6 m	1,325.0 m	
<b>Market Breadth</b>			
Up	436	503	
Down	332	280	
Unchanged	326	307	
<b>Indicators</b>			
MACD	Sell	sell	
DM Index	Buy	buy	
Stochastics	buy	buy	

**A close above 1,510 level .....**

### Market Commentary :

Led by announcement of plans to buy \$600 billion in treasuries to stimulate the economy, DJIA had on 3/11/2010 gained **26.41** points to close at **11,215.13**.

The double-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 4/11/2010, FBM KLCI traded higher to a day high of **1,513.41** as traders chose to play a buying game in anticipation of higher market. However, pre-weekend profit taking activity pushed the stock index down to a low of **1,508.58** before settled at **1,511.74**.

The **rise of 4.14** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.06 to RM8.93), **AMMB** (up RM0.02 to RM6.34), **Maybank** (up RM0.01 to RM9.00), **AMMB** (up RM0.02 to RM6.34) and **IOI Corp** (up RM0.02 to RM5.86).

### What was the chart saying .....

Market had not only continued to move above 1,500 level on 4/11/2010; but, it had made a step forward by trading into 1,510 zone with an up close above 1,510 level. **Wasn't this something interesting to note ?** The market had been hovering above 1,500 level since the up close above 1,500 level on 29/10/2010; but, with the market position above 1,510 level, it showed that there was an increase in term of willingness to assume higher risk to acquire stocks with a general view of an upward market expectation.

**Stock index remained in the uptrend and there was underneath buying support in recent price action. The small range platform in the last few days was merely a reflection of certain amount of disappointment on the part of traders** over 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.

Thus, this market needed a catalyst to really carry the stock index upward **to create a "hoo-haa" trading environment in order to induce more speculative buying interest.**

**What would it imply for today's market (8/11/2010) ?** The ability on the part of stock index to hold above 1,500 level continued to augur well for the market; but, the **"mismatch" between market sentiment and the 1,500 level crossover required players' commitment to acquire more stock positions.**

Looking back, it was not hard to avoid see the reason behind the recent "cautious" play above 1,500 level, as the last time this 1,500 level was broken, it happened 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 4/11/2010 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 **disposed from 26/10/2010 to 4/11/2010** was about **40% of what was acquired** between 18/10/2010 and 25/10/2010 compared to **42%** 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 4/11/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,508.58 after making attempt to go higher than 1,513.41.**