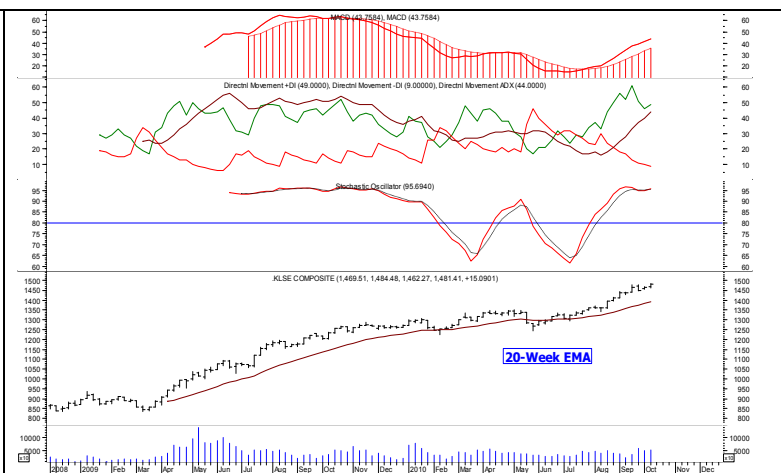


## Technical Analysis – Weekly FBM KLCI

|                        | 8/10/2010 | 1/10/2010 |
|------------------------|-----------|-----------|
| Open                   | 1,469.51  | 1,458.73  |
| High                   | 1,484.48  | 1,469.77  |
| Low                    | 1,462.27  | 1,456.30  |
| Close                  | 1,481.41  | 1,466.32  |
| Volume                 | 5.22 b    | 5.06 b    |
| <b>Pivot</b>           | 1,476.0   | 1,464.1   |
| 1 <sup>st</sup> Resis. | 1,489.8   | 1,471.9   |
| 2 <sup>nd</sup> Resis. | 1,498.2   | 1,477.6   |
| 1 <sup>st</sup> Supp.  | 1,467.6   | 1,458.4   |
| 2 <sup>nd</sup> Supp.  | 1,453.8   | 1,450.6   |
| <b>Indicators</b>      |           |           |
| MACD                   | Buy       | buy       |
| DM Index               | Buy       | buy       |
| Stochastics            | Buy       | sell      |



### Chart wise :

..... **56 %** of total weekly market trading activity was on buying side .....

### Weekly Market Commentary :

Backed by a rise in the manufacturing index measured by Institute for Supply Management in September 2010, a gain in confidence of the strengthening economy and likelihood of Federal Reserve to resume quantitative easing, DJIA traded higher to a high of **10,998.50** for the week ended 7/10/2010 before settled at **10,948.60**.

The small rise in Wall Street was supportive to the trading environment in Bursa Malaysia last week, FBM KLCI only traded to a low of **1,462.27** as traders were still seen comfortable with the market direction. In the absence of stronger selling pressure, the stock index went above immediate high of 1,479.59 (24/9/2010) to **1,484.48** before settled at **1,481.41** ahead of weekend.

Last week, total market turnover was **5.22** billion shares compared to **5.06** billion shares in the preceding week; thus, the **bigger market volume** in an up close scenario suggested **stronger buying pressure**.

**With a week high (1,484.48) higher than previous week high (1,469.77) and a low (1,462.27) higher than previous week low (1,456.3), can market continue to go upward ?** The inside bar in week ended 1/10/2010 may have indicated uncertainty in traders; but, some aggressive traders in last week had apparently taken the step to play on buying side in anticipation of higher market.

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On examination of the market behaviour for the week ended 8/10/2010, the weekly **up close** of **1,481.41** helped to paint a friendly picture onto the chart with immediate **support** pegged at **1,440** and **overhead resistance** at **1,500** level.

A mathematical calculation showed that about **56 %** of the total market trading activity for week ended 8/10/2010 was on the **buying side** compared to **67 %** in the previous week.

### **Conclusion :**

The market action(s) for week ended 8/10/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus be making attempt to trade **above 1,484.48**.