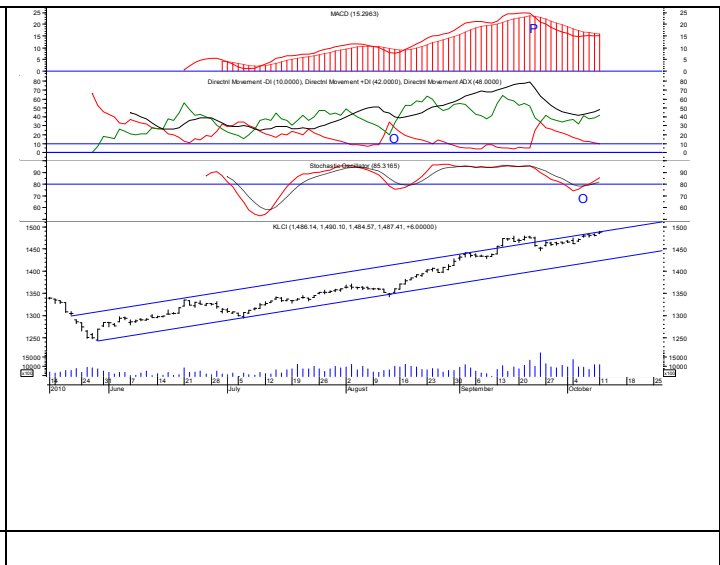




## Technical Analysis – Daily FBM KLCI

	11/10/2010	8/10/2010
Open	1,486.14	1,481.88
High	1,490.10	1,484.48
Low	1,484.57	1,479.31
Close	1,487.41	1,481.41
Volume	1,094.0 m	1,075.1 m
<b>Market Breadth</b>		
Up	479	397
Down	287	332
Unchanged	293	301
<b>Indicators</b>		
MACD	sell	sell
DM Index	buy	buy
Stochastics	buy	buy



### Momentum Gearing Toward 1,500 .....

#### Market Commentary :

Led by hopes built on Federal Reserve to take more action to get the economy going again, DJIA had on 11/10/2010 gained 57.90 points to close above 11,000 level at 11,006.48.

The double-digit gain in Wall Street sent a positive note to Bursa Malaysia in the opening bell on 11/10/2010, FBM only traded to a day low of **1,484.57** as traders were seen uncomfortable to play on selling side in anticipation of higher market. In the absence of stronger selling pressure in area of **1,484.57**, renewed buying interest rolled in, this lifted stock index higher to **1,490.10** before settled at **1,487.41**.

The **rise** of **6.00** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **GenM** (up RM0.01 to RM3.56), **Maybank** (up RM0.01 to RM8.99), **Hong Leong Bank** (up RM0.10 to RM9.40), **Sime Darby** (up RM0.11 to RM8.70) and **IOI Corp** (up RM0.08 to RM5.58).

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

Market did not go lower on 11/10/2010 despite a down close on 8/10/2010. In fact, the higher move on 11/10/2010 was not something unexpected, because this market had been keeping well supported after the crossover of 1,475 level into 1,480 zone with an upside gap scenario on 6/10/2010. Of course, the upside breakout of 11,000 mark in Wall Street on 8/10/2010 may have also played its influence, local traders received additional booster to establish stock positions.

The higher high scenario on 11/10/2010 basically indicated that there was a **stronger risk appetite** for stocks even though traders were earlier seen not so keen to push the market up fast for fear of running the stock index into overbought zone as the market had just done its pull back from 1,479.55 (17/9/2010) to 1,445.33 (24/9/2010), where a small platform was subsequently

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formed to neutralize the demand-supply relationship created during the run up from 1,428.66 (8/9/2010) to 1,479.55 (17/9/2010).

**Now, with market crossed into 1,490 zone to reach highest high of 1,490.10 since 17/1/2008 on 11/10/2010, would the market be trading upward on 12/10/2010 ?** Given the way market carried itself on 11/10/2010, we should see supportive buying again today (12/10/2010) with immediate goal of to test 1,500 level.

It was good to see the stock index coming up to this high level again; but, 1,500 level would not be broken so easily on a decisive manner as traders would tend to become cautious when market was approaching its historical high of 1,524.69 (14/1/2008). And, it would take an extraordinary buying power for the market to overcome this 1,500 psychological hurdle as profit taking pressure should be mounting at level above 1,500 level.

**However, the upper line of upward sloping channel as a crucial sign to see stronger upward move ahead.**

### **What were the strong hands doing .....**

A check of internal market strength on 11/10/2010 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a portion of buying positions***, and the net number of stock positions ***acquired*** from 29/9/2010 to ***11/10/2010*** was about ***47%*** of what was ***disposed*** between 14/9/2010 and 28/9/2010 compared to ***32%*** in the preceding day.

### **Conclusion :**

**Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level to remain at 1,400; but, 1,440 – 1,450 level should act as immediate support.**

**The analysis of overall daily market action(s) on 11/10/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,490.1.**