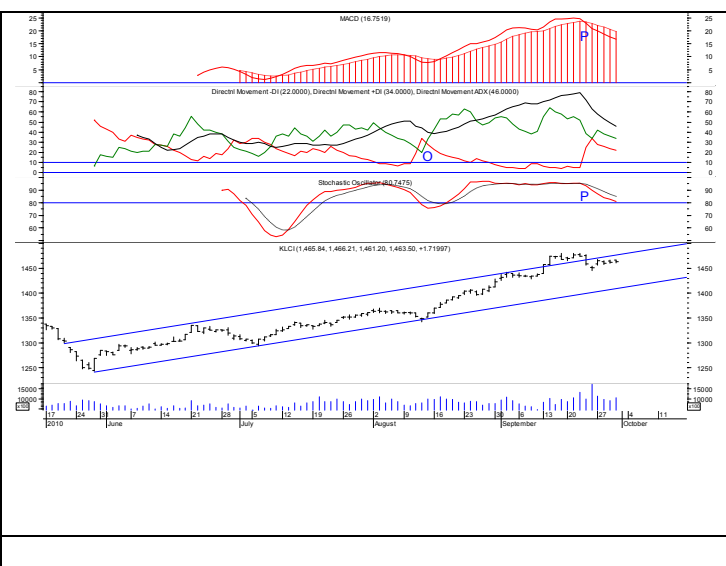


## Technical Analysis – Daily FBM KLCI

	30/9/2010	29/9/2010	
Open	1,465.84	1,464.32	
High	1,466.21	1,466.29	
Low	1,461.20	1,459.12	
Close	1,463.50	1,461.78	
Volume	1,051.7 m	905.0 m	
<b>Market Breadth</b>			
Up	329	430	
Down	399	283	
Unchanged	280	306	
<b>Indicators</b>			
MACD	sell	sell	
DM Index	buy	buy	
Stochastics	sell	sell	

**Market seen with greater chance to go up north .....**

### Market Commentary :

Held back by a roll-in of corporate earnings announcement next week and renewed worries about Europe's finances, DJIA had on 29/9/2010 shed 22.86 points to close at 10,835.28.

The double-digit drop in Wall Street did not send an immediate dampening effect onto Bursa Malaysia in the opening bell on 30/9/2010, FBM traded to a day high of **1,466.21** as some traders took the chance to play a buying side. However, weak follow thru buying support in area of **1,466.21** prompted light profit taking activity to roll in, this put a pressure on stock index to go down to a day low of **1,461.2** before settled at **1,463.5**.

The **gain** of **1.72** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM** (up **RM0.05** to **RM3.42**), **PB Bank** (up **RM0.04** to **RM12.56**), **Hong Leong Bank** (up **RM0.01** to **RM9.11**), **Genting** (up **RM0.02** to **RM9.92**) and **RHB Capital** (up **RM0.10** to **RM7.23**).

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

Market did not trade higher yesterday (30/9/2010) despite an up close scenario in the preceding day (29/9/2010). Those traders that had played up the stock index on 29/9/2010 were again seen not in a hurry to stage an immediate follow thru buying interest the next day (30/9/2010), **why ?** The game play pattern in the last 3 days suggested the **non-willingness** on the part of traders to either play up the market or play down the market on a more aggressive basis **at this juncture**. The rationale behind the non-aggressive was believed to have something to do with one single word – **PATIENCE**. These traders were simply waiting for the game to come to them. They knew how to play the game **RIGHT**.

This market was looking for some forms of stability in an attempt to contain the positive trading sentiment that had been created lately. Market stability has always been viewed an important

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element in keeping the buying confidence, market would not go up if traders and investors do not have confidence in the market. This can be seen from the trading range in the past 4 days (27/9/2010 – 30/9/2010) where the upside gap created on 27/9/2010 remained unfilled, this indicated the unwillingness on the part of traders to play aggressively either on buying or selling side. Traders were waiting for a perfect timing to pull the right trigger .....

**Ladies & gentlemen, what can be said about the market move on 27/9/2010 ?** Firstly, a high portion of stock positions being liquidated on 24/9/2010, this can be seen from high market volume traded on that day. Secondly, the overnight gains of 197.84 points in Wall Street on 24/9/2010 prompted aggressive traders to establish stock positions on 27/9/2010, the sudden reversal game play on 27/9/2010 created an island bottom pattern indicating a possible change of downward move to a new upward move.

An interesting point to note here was the buying forces to keep the stock index from filling up the upside gap left behind on 27/9/2010. This gave an indication that market would have a greater tendency to go up north.

**Would this reversal play be sustainable ?** Well, the 13.52 points up on 27/9/2010 was undoubtedly very tempting for any traders to reconsider stepping back into the ring again; but, more technical evidence (*i.e. a return move above the upper line of upward sloping channel*) was needed as the corrective move started since 22/9/2010 was believed still in force. Thus, a small platform to consolidate the market fluctuation between 1,440 and 1,470 levels should be formed to neutralize the imbalance demand-supply relationships created earlier.

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

A check of internal market strength on 30/9/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions disposed from 15/9/2010 to 30/9/2010 was about 101% more than what was acquired between 8/9/2010 and 14/9/2010 compared to 137% 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 30/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,461.2.