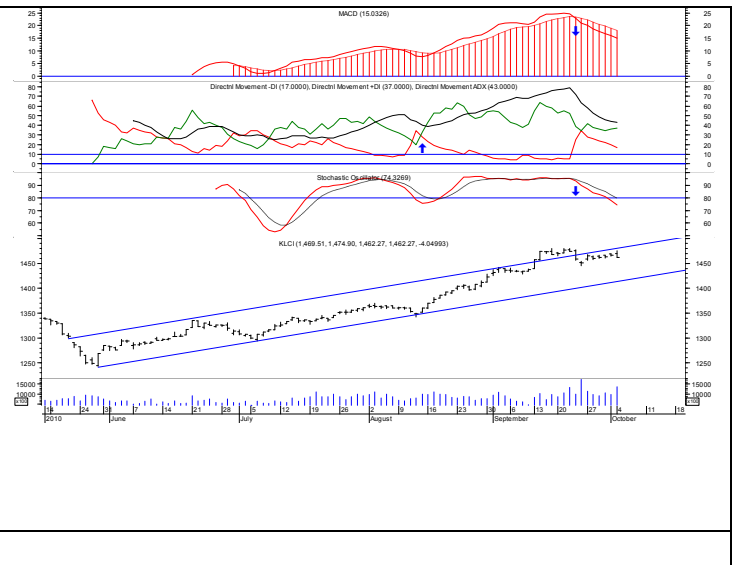


## Technical Analysis – Daily FBM KLCI

	4/10/2010	1/10/2010
Open	1,469.51	1,468.45
High	1,474.90	1,469.77
Low	1,462.27	1,464.35
Close	1,462.27	1,466.32
Volume	1,369.4	973.8 m
<b>Market Breadth</b>		
Up	501	422
Down	295	327
Unchanged	258	267
<b>Indicators</b>		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



**Upper channel line remained a hurdle .....**

### Market Commentary :

Encouraged by a rise in the manufacturing index measured by Institute for Supply Management in September 2010, DJIA had on 4/10/2010 gained 41.63 points to close at 10,829.68.

The double-digit rise in Wall Street sent a feel "good" effect to Bursa Malaysia in the opening bell on 4/10/2010, FBM traded into 1,470 zone to a day high of **1,474.90** as some traders chose to play on buying side in anticipation of higher market. However, non-follow thru buying support in area of 1,474.90 prompted profit taking activity to roll in, this pushed stock index back down below 1,470 to a day low of 1,462.27 before settled at **day low**.

The **drop** of **4.05** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **PetDag** (down RM0.08 to RM10.90), **Gamuda** (down RM0.09 to RM3.89), **Hong Leong Bank** (down RM0.12 to RM9.03), **Parkson** (down RM0.12 to RM5.73) and **GenP** (down RM0.05 to RM7.75).

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

Market traded higher yesterday (4/10/2010) following the up close scenario in the preceding day (1/10/2010). Those traders that had played up the stock index on 1/10/2010 were seen making another attempt to "pull" the market away from the small platform established between 27/9/2010 and 30/9/2010.

However, the **'breakaway'** to the upside on 4/10/2010 was not sustainable, because the "change" initiated on 1/10/2010 failed to create a follow thru buying interest to really break the usual game play from the past 4 days (27/9/2010 – 30/9/2010). **(FYI** : The usual game play here meant the **non-willingness** on the part of traders to either play up the market or play down the market on a more aggressive basis, and the rationale behind the non-aggressive was believed to have something

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to do with one single word – **PATIENCE**. In short, these traders were simply waiting for the game to come to them, and they knew how to play the game **RIGHT**. **Why didn't we see a follow thru buying on 4/10/2010 ?** *Many traders were committed to see a crossover of the upper line of upward sloping channel before making the next buying move. And, the non-eagerness on the part of traders to break the upper channel somehow raised a concern of potential strong selling pressure in area of upper channel line.*

*The island bottom pattern formed as a result of upside gap scenario on 27/9/2010 remained in place at this juncture. Given the way market carried itself on 4/10/2010, there was a mounting selling interest in the game, the pressure to go downward would thus seen unavoidable.*

**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 4/10/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, and the net number of stock positions disposed from 15/9/2010 to 4/10/2010 was about 131% more than what was acquired between 8/9/2010 and 14/9/2010 compared to 97% 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 4/10/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,462.27.*