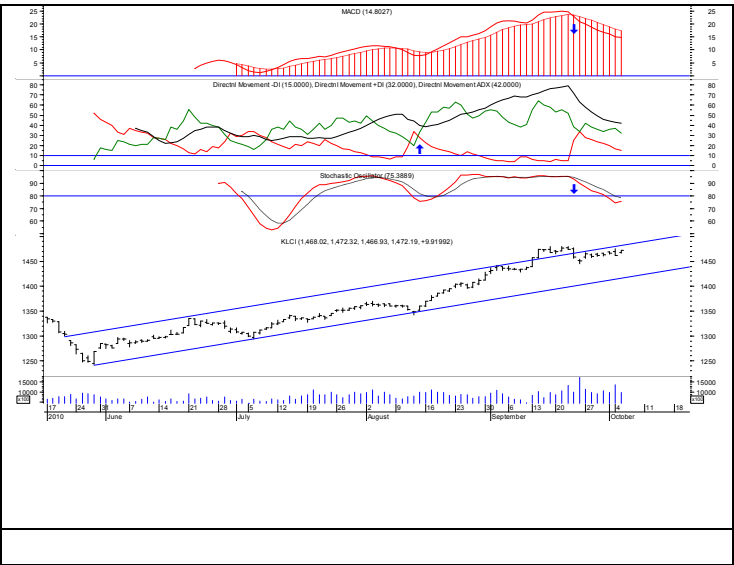




## Technical Analysis – Daily FBM KLCI

	5/10/2010	4/10/2010	
Open	1,468.02	1,469.51	
High	1,472.32	1,474.90	
Low	1,466.93	1,462.27	
Close	1,472.19	1,462.27	
Volume	985.7 m	1,369.4 m	
<b>Market Breadth</b>			
Up	319	501	
Down	411	295	
Unchanged	290	258	
<b>Indicators</b>			
MACD	sell	sell	
DM Index	buy	buy	
Stochastics	sell	sell	



**Waiting for a trigger .....**

### Market Commentary :

Held back ahead by a busy week of economic and earnings reports, DJIA had on 5/10/2010 shed 78.41 points to close at 10,751.27.

The double-digit drop in Wall Street did not send any dampening effect to Bursa Malaysia in the opening bell on 5/10/2010, FBM only traded to a day low of **1,466.93** as traders decided not to stage a follow thru selling pressure on the back of the weak down close scenario on 4/10/2010. In the absence of stronger selling interest in area of **1,466.93**, bargained hunting activity rolled in, this lifted stock index back above 1,470 level to a day high of **1,472.32** before settled at **1,472.19**.

The **rise** of **9.92** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **PetDag** (up RM0.02 to RM10.92), **KLK** (up RM0.06 to RM17.10), **Hong Leong Bank** (up RM0.12 to RM9.15), **Parkson** (up RM0.15 to RM5.88) and **GenM** (up RM0.07 to RM3.53).

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

Market did not trade lower yesterday (5/10/2010) despite the day low down close in the preceding day (4/10/2010). That was a surprise as market was seen under selling pressure on 4/10/2010, and chances to see a lower market on 5/10/2010 was viewed unavoidable especially when market volume reached 1.36 billion shares in a down close scenario on 4/10/2010. **What happened ?** Only a small portion of the 1.36 billion shares transacted on 4/10/2010 was actually linked to certain index component stock(s) sell-off; thus, many traders did not show their interest to play a selling game on 5/10/2010.

Those traders that had played down the stock index on 4/10/2010 were not making another attempt on 5/10/2010 to "push" the market out of the small platform established between 27/9/2010 and 30/9/2010 to the downside.

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Having witnessed what had happened from 1/10/2010 to 5/10/2010, the stock index would have a greater tendency to confine its usual game play within the range between 1,445 and 1,475 at this juncture unless we could really see a serious breakout. 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 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.**

**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 1,445 and 1,475 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 5/10/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions**, and the net number of stock positions **disposed** from 15/9/2010 to **5/10/2010** was about **113%** more than what was **acquired** between 8/9/2010 and 14/9/2010 compared to **131%** 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 5/10/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,472.32.**