

Technical Analysis – Weekly FBM KLCI

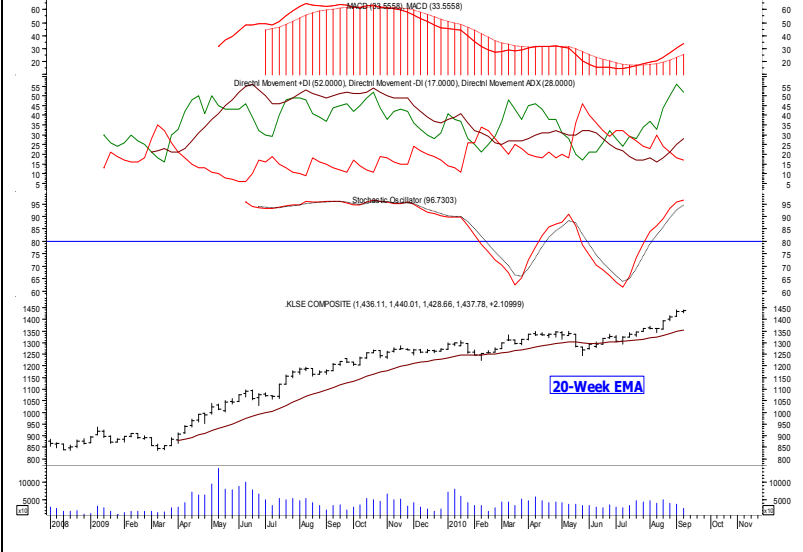
	9/9/2010	3/9/2010	
Open	1,436.11	1,412.98	
High	1,440.61	1,441.80	
Low	1,428.66	1,412.98	
Close	1,437.78	1,435.67	
Volume	2.44 b	3.70 b	
Pivot	1,435.4	1,430.15	
1 st Resis.	1,442.3	1,447.32	
2 nd Resis.	1,446.8	1,458.97	
1 st Supp.	1,430.9	1,418.50	
2 nd Supp.	1,424.1	1,401.33	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Chart wise : .

..... 51 % of total weekly market trading activity was on buying side

Weekly Market Commentary :

Dampened by Europe's debt problems about reports on banks in Europe likely to have more risky government debt on their books than was disclosed during "stress tests", DJIA did not make into higher ground for the week ended 8/9/2010, the stock index only reached a high of **10,446.80** before settled at **10,387**.

The non-follow thru buying support in Wall Street failed to lift the trading sentiment in Bursa Malaysia last week, FBM KLCI went below 1,430 level to a low of **1,428.66** as traders chose to take profits on their winning trades; however, light buying support rolled in to pull the stock index back up above 1,430 level to close at 1,437.78 ahead of Hari Raya.

Last week, total market turnover was **2.44** billion shares on shorter trading days compared to **3.70** billion shares in the preceding week; thus, the **smaller market volume** in a **down close** scenario suggested **weaker buying pressure**.

With a week high (1,440.01) lower than previous week high (1,441.80) and a low (1,428.66) higher than previous week low (1,412.98), can market continue to go upward ? The lower high and higher low last week (9/9/2010) reflected a change in traders' psychology on very short term, and this indicated a

possible reversal of the current uptrend into downtrend scenario with immediate resistance expected at 1,442 level in coming week.

KLCI may have not been able to continue its journey up north for week ended 9/9/2010; but, it must continue to find support at 1,410 level after making an inside bar last week as the ability to withstand selling pressure at 1,410 would help to turn the market around.

On examination of the market behaviour for the week ended 9/9/2010, the weekly **down close** of **1,437.78** did not help to paint a friendly picture onto the chart with immediate **support** pegged at **1,411** and **overhead resistance** at **1,442** level.

A mathematical calculation showed that about **51 %** of the total market trading activity for week ended 9/9/2010 was on the **buying side** compared to **89 %** in the previous week.

Conclusion :

The market action(s) for week ended 9/9/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus likely be making attempt to trade **below 1,428.66**.