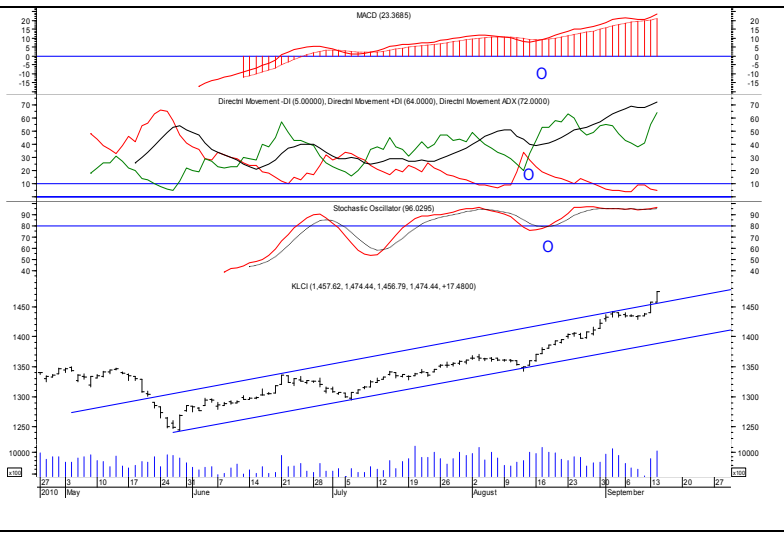


Technical Analysis – Daily FBM KLCI

	14/9/2010	13/9/2010	
Open	1,457.62	1,439.26	
High	1,474.44	1,456.96	
Low	1,456.79	1,439.26	
Close	1,474.44	1,456.96	
Volume	1,035.3 m	843.1 m	
Market Breadth			
Up	504	542	
Down	274	218	
Unchanged	269	254	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Next target at 1,500 level

Market Commentary :

Supported by reports of robust economy and takeovers in China and new rules for how much money banks must hold in reserves to reassure the health of global economy, DJIA had on 14/9/2010 gained 81.36 points to close at 10,544.13.

The double-digit gain in Wall Street sent another positive signal to Bursa Malaysia in the opening bell on 14/9/2010, FBM only traded to a day low of **1,456.79** as traders continued to play on buying side in anticipation of higher market. Under greater buying pressure, stock index rose into 1,460 zone to reach highest high of **1,474.44** since 17/1/2008 before settled at **day high** on last minute buying of selected blue chip stock(s).

The **rise of 17.48** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp (up RM0.11 to RM5.74)**, **Topglove (up RM0.04 to RM6.04)**, **PB Bank (up RM0.32 to RM12.62)**, **Maybank (up RM0.25 to RM8.76)** and **CIMB (up RM0.13 to RM8.18)**.

What was the chart saying

Market traded higher with a crossover of 1,460 level yesterday (14/9/2010) following the up close scenario in preceding trading day (13/9/2010) and overnight gains in Wall Street. There was an improved buying activity on 14/9/2010, this in line with the gapped dup scenario created on 13/9/2010. The upside gap left behind on 13/9/2010 indicated the urgency on the part of traders to establish stock positions.

Higher market play on 14/9/2010 was not a surprise after the day high closing in the preceding day; and the ability on the part of stock index to protect its position in area of 1,430 level on 8/9/2010 and 9/9/2010 had also paved the ground for higher market. Furthermore, the lower market volumes

on 8/9/2010 and 9/9/2010 showed no aggressive selling action to push the market down, this gave rise an opportunity to risk taking traders to buy stocks at cheaper level.

Those who had missed the buying on 9/9/2010 were seen willing to pay up higher to get some of the stock trades done on 13/9/2010 and 14/9/2010.

What would this higher market on 13/9/2010 imply in coming days ? The market play pattern on 8/9/2010 and continued supportive buying to keep the stock index above 1,430 level on 9/9/2010 suggested the "intention" on the part of certain traders to hold up as much as they could at this juncture from making lower in attempt to contain the trading sentiment on friendly side instead of turning the market sentiment into negative by "allowing" the stock index to get lower under the present corrective mode.

Ladies & gentlemen, the up close at 1,437.78 on 9/9/2010 had given an indication that bearish traders were not playing an aggressive selling game, more buying was noted instead on 9/9/2010 compared to that of 8/9/2010. The immediate market support could thus now be pegged at 1,428 level instead of 1,420 – 1,425 level expected earlier.

The crossover into 1,450 zone on 13/9/2010 was a good attempt made to disassociate the early thought(s) of market going into "bearish" mode, and it had also helped to generate a new wave of market optimism with an eye to 1,500 level after a small hurdle at 1,460 level. Moreover, the bigger market volume at **843.1** million shares on 13/9/2010 should be adequate to provide a convincing power in seeing upward move to 1,500 level.

What would be the one thing in traders' mind right now after making to a high of 1,474.44 on 14/9/2010 ? Well, the rally to 1,474.44 had certainly made many investors happy again; but, one thing for sure the market run up would raise the question of whether this was a sustainable rally or just as another move to the top of a trading range (1,460 – 1,500). The answer would be to approach the market with caution despite the bullish trading sentiment.

What were the strong hands doing

A check of internal market strength on 14/9/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions acquired from 9/9/2010 to 14/9/2010 was about 127% of what was disposed between 2/9/2010 and 8/9/2010 compared to 70% 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 1,395; but, 1,450 level should act as immediate support.

The analysis of overall daily market action(s) on 14/9/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,474.44.