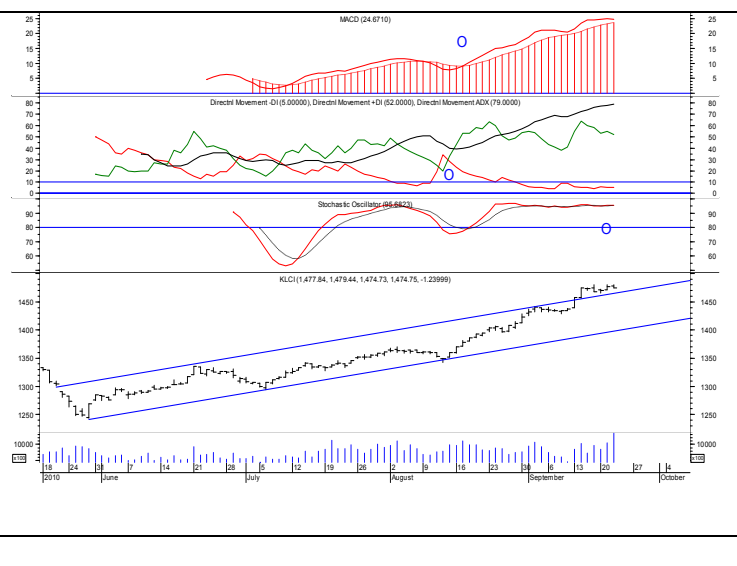


Technical Analysis – Daily FBM KLCI

	22/9/2010	21/9/2010
Open	1,477.84	1,471.15
High	1,479.44	1,479.59
Low	1,474.73	1,471.03
Close	1,474.75	1,475.99
Volume	1,332.5 m	1,049.6 m
Market Breadth		
Up	398	368
Down	364	345
Unchanged	280	319
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	sell	sell



Overhead selling pressure

Market Commentary :

Led by word on readiness from Fed Reserve to prop up the economy, DJIA had on 21/9/2010 gained 7.41 points to close at 10,761.03.

The single-digit rise in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 22/9/2010, FBM only traded to a day high of **1,479.44** as traders continued to play buying game in anticipation of higher market. However, in the absence of stronger buying support in area of 1,479.44, renewed selling pressure rolled in, this pushed stock index down to a day low of **1,474.73** before settled at **1,474.75**.

The **fall** of **1.24** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **KLK** (down **RM0.16** to **RM17.00**), **PB Bank** (down **RM0.02** to **RM12.66**), **TM** (down **RM0.02** to **RM3.36**), **GenM** (down **RM0.14** to **RM3.50**) and **Tenaga Nasional** (down **RM0.02** to **RM9.04**).

What was the chart saying

Market did not trade higher yesterday (22/9/2010) after making an attempt to break above the immediate high of 1,479.59 (21/9/2010) following the up close scenario in preceding day (21/9/2010). Buying interest that involved in the game play on 22/9/2010 was relatively high; but, the power to overcome the hurdle at 1,479.59 had met with stronger selling pressure in area of 1,480.

The **lower high** on 22/9/2010 was something **unexpected**, because the rebound towards the day end trading on 20/9/2010 and 21/9/2010 indicated the intention on the part of certain traders to keep this market on the upper range despite the inside day bar on 15/9/2010. **What would the market likely to do next then ?** The attempt made to break thru 1,479.59 level on 22/9/2010 may have failed on; but, it was another good try. Those who had started the ball rolling on 21/9/2010 would

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likely be making a similar attempt to pull the stock index up again on 23/9/2010. The bulls and bears would be battling out again given the small market range on 22/9/2010. A winner should be known soon

Ladies & gentlemen, like what we said earlier in our reports

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 (1,500 – 1,530). **The answer would be to approach the market with caution despite the bullish trading sentiment.**

So, the higher market to 1,479.59 on 17/9/2010 followed by weak down close was a sign of seeing a continuing higher level on 20/9/2010 then with another day high of 1,479.59 on 21/9/2010 ? The way market acted on 17/9/2010 implied the emergence of selling pressure, and the buying strength was not really being felt after 14/9/2010. A **consolidation** was seen made in an effort to neutralise the imbalance demand-supply relationship created in recent run up, for the stock index had shot up 45 points since the day low of 1,428.66 on 8/9/2010.

What were the strong hands doing

A check of internal market strength on 22/9/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing another portion of buying positions**, and the net number of stock positions **disposed** from 15/9/2010 to **22/9/2010** was about **91%** of what was **acquired** between 8/9/2010 and 14/9/2010.

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 22/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,474.73.