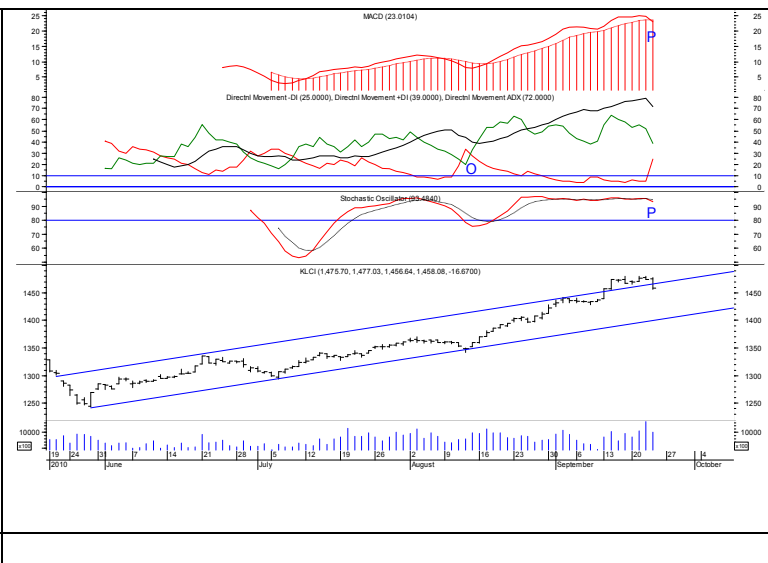


Technical Analysis – Daily FBM KLCI

	22/9/2010	23/9/2010
Open	1,475.70	1,477.84
High	1,477.03	1,479.44
Low	1,456.64	1,474.73
Close	1,458.08	1,474.75
Volume	999.4 m	1,332.5 m
Market Breadth		
Up	221	398
Down	523	364
Unchanged	254	280
Indicators		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



Selling pressure increased.....

Market Commentary :

With no new economic data and the Fed's announcement having bigger impact on bond and currency market, DJIA had on 22/9/2010 shed 21.72 points to close at 10,739.31.

The double-digit drop in Wall Street did not send an immediate negative effect to Bursa Malaysia in the opening bell on 23/9/2010, FBM only traded to a day high of **1,477.03** as traders were seen unwilling to play a buying game in anticipation of lower market. In the absence of greater buying support, renewed selling pressure rolled in, this pushed stock index down below 1,460 level to a day low of **1,456.64** before settled at **1,458.08**.

The **fall of 16.67** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **KLK** (down **RM0.04** to **RM16.96**), **PB Bank** (down **RM0.04** to **RM12.62**), **TM** (down **RM0.01** to **RM3.35**), **GenM** (down **RM0.08** to **RM3.42**) and **Tenaga Nasional** (down **RM0.04** to **RM9.00**).

What was the chart saying

Market traded lower with a downside violation of 1,460 level yesterday (23/9/2010) after making an attempt to test immediate high of 1,479.59 (21/9/2010). The buying interest that involved in the game play on 23/9/2010 was much smaller compared to that of 22/9/2010, and the failure on the part of buying power to overcome the hurdle at 1,479.59 on 22/9/2010 had impacted the market sentiment on the negative side, this can be seen from the way stock index was traded on 23/9/2010.

We had mentioned in our market report for 23/9/2010 that 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 22/9/2010; but, it

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was another good try. Those who had started the ball rolling on 21/9/2010 would 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**

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.

A small platform was indeed established in the past few day; however, bearish traders "won" the battle game on 23/9/2010 when more traders decided to profit take their winning trades.

Ladies & gentlemen, the sell-off yesterday was seen to have a dampening effect on the market in coming days as the stock index had broken the low registered on 20/9/2010, and a more aggressive strategy by these bearish traders to take advantage of the weakened market situation seen unavoidable.

What were the strong hands doing

A check of internal market strength on 23/9/2010 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 **135%** more than what was **acquired** between 8/9/2010 and 14/9/2010 compared to **91%** 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 23/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,456.64.