

Technical Analysis – Weekly FBM KLCI

	24/9/2010	17/9/2010
Open	1,470.73	1,439.26
High	1,479.59	1,479.59
Low	1,445.33	1,439.26
Close	1,451.19	1,466.97
Volume	5.95 b	3.57 b
Pivot	1,458.7	1,461.9
1 st Resis.	1,472.0	1,484.6
2 nd Resis.	1,492.9	1,502.2
1 st Supp.	1,437.8	1,444.2
2 nd Supp.	1,424.4	1,421.6
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

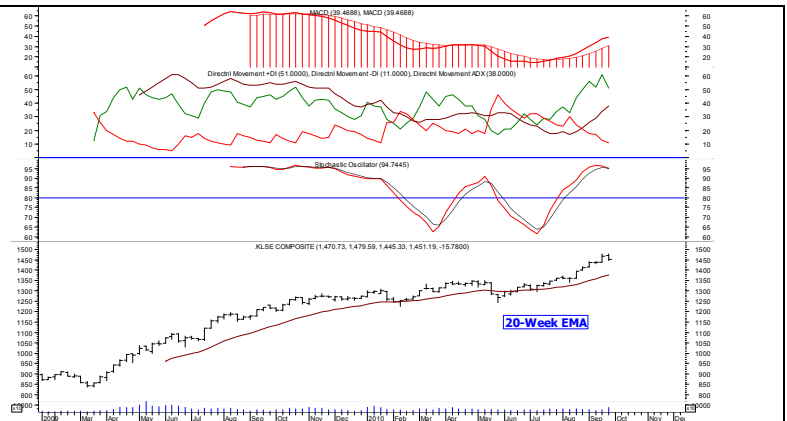


Chart wise : .

..... 21 % of total weekly market trading activity was on buying side

Weekly Market Commentary :

Led by growing hopes of more action by Fed Reserve to prop up the economy amid more signs of economic trouble in Europe, DJIA traded higher to a high of **10,833.40** for the week ended 24/9/2010 before settled at **10,662.4**.

The small gains in Wall Street did not send a more comfortable trading sentiment to the Bursa Malaysia last week, FBM KLCI tested the highest high of **1,479.59 since 17/1/2008** registered in previous week as some traders continued to play on buying side; however, non-follow thru buying support prompted profit taking activity to roll in, this pushed stock index down to **1,445.33** before settled at **1,451.19** ahead of weekend.

Last week, total market turnover was **5.95** billion shares on shorter trading days compared to **3.57** billion shares in the preceding week; thus, the **bigger market volume in a down close scenario suggested stronger selling pressure.**

With a week high (1,479.59) NOT higher than previous week high (1,479.59) and a low (1,445.33) higher than previous week low (1,439.26), can market continue to go upward ? The inside bar in week ended 24/9/2010 indicated market uncertainty where bullish traders decided to take a pause in buying up the market last

week. This would open up an opportunity for traders to sell especially after this recent rally had helped to push the market to highest level since 17/1/2008.

On examination of the market behaviour for the week ended 24/9/2010, the weekly **down close** of **1,451.19** did not help to paint a friendly picture onto the chart with immediate **support** pegged at **1,428** and **overhead resistance** at **1,500** level.

A mathematical calculation showed that about **21 %** of the total market trading activity for week ended 24/9/2010 was on the **buying side** compared to **84 %** in the previous week.

Conclusion :

The market action(s) for week ended 24/9/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be making attempt to trade **below 1,445.33**.