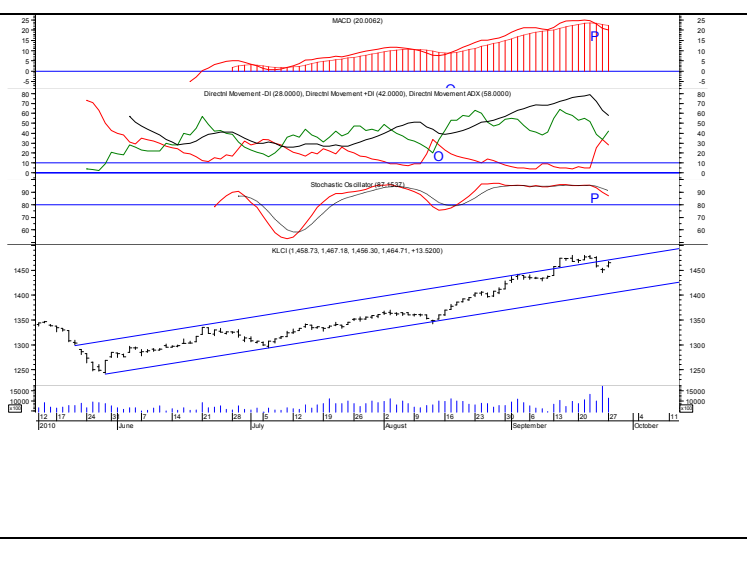


Technical Analysis – Daily FBM KLCI

	27/9/2010	24/9/2010
Open	1,458.73	1,451.58
High	1,467.18	1,453.09
Low	1,456.30	1,445.33
Close	1,464.71	1,451.19
Volume	1,158.4 m	1,726.6 m
Market Breadth		
Up	469	408
Down	292	307
Unchanged	276	289
Indicators		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



Island bottom

Market Commentary :

Fueled by optimism over the futures direction of the economy, DJIA had on 24/9/2010 shot up 197.84 points to close at 10,860.26.

The triple-digit rise in Wall Street sent an encouraging signal to Bursa Malaysia in the opening bell on 27/9/2010, FBM traded only to a day low of **1,456.30** as traders chose to play on buying side in anticipation of higher market. Under greater buying support, stock index rose higher into 1,460 zone to reach a day high of **1,467.18**, and kept its position on the high side throughout the trading sessions before settled at **1,464.71**.

The **rise** of **13.52** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **KLK** (up **RM0.08** to **RM17.00**), **PB Bank** (up **RM0.02** to **RM12.56**), **CIMB** (up **RM0.16** to **RM8.25**), **Genting** (up **RM0.02** to **RM9.77**) and **Tenaga Nasional** (up **RM0.08** to **RM9.00**).

What was the chart saying

Market traded higher with a return move back into 1,460 zone yesterday (27/9/2010) despite the down close in the preceding day (24/9/2010). It was interesting to note that selling pressure we saw on 24/9/2010 was not in sight on 27/9/2010, and instead we found renewed buying interest to prop up the stock index into higher ground, **what can be said about yesterday's (27/9/2010) market move ?** Firstly, there was a high portion of stock positions being liquidated on 24/9/2010, this can be seen from high market volume traded on that day. And, the overnight gains of 197.84 points in Wall Street on 24/9/2010 prompted aggressive traders to establish stock positions on 27/9/2010, the sudden reversal game play on 27/9/2010 created an island bottom pattern indicating a possible change of downward move to a new upward move.

Would this reversal play be sustainable ? Well, the 13.52 points up on 27/9/2010 was undoubtedly very tempting for any traders to reconsider stepping back into the ring again; but, more technical evidence (*i.e. a return move above the upper line of upward sloping channel*) was needed as the corrective move started since 22/9/2010 was believed still in force. Thus, a small platform to consolidate the market fluctuation between 1,440 and 1,470 levels should be formed to neutralize the imbalance demand-supply relationships created earlier.

Like what we had said in our market report for 27/9/2010, bullish traders took advantage of the lower market to establish cheaper stock positions. Stock trading was about market opinions, bull or bear, and the logic behind the buying support on 24/9/2010 was due to the fact that these traders expected the stock price to go up. **So, what would the market be likely doing next ?** The selling and buying forces on 24/9/2010 implied that both bullish traders believed immediate market support should be found in the area of 1,445 at this juncture, and that basically explained why there was a greater buying interest at that market level. In other word, 1,440 level should provide an immediate cushion for the market while the tussle for market control between bulls and bears to continue.

What were the strong hands doing

A check of internal market strength on 27/9/2010 showed that buying strength improved with strong hand(s) seen acquiring another portion of buying positions, and the net number of stock positions disposed from 15/9/2010 to 27/9/2010 was about 111% more than what was acquired between 8/9/2010 and 14/9/2010 compared to 134% 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 27/9/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,467.18.