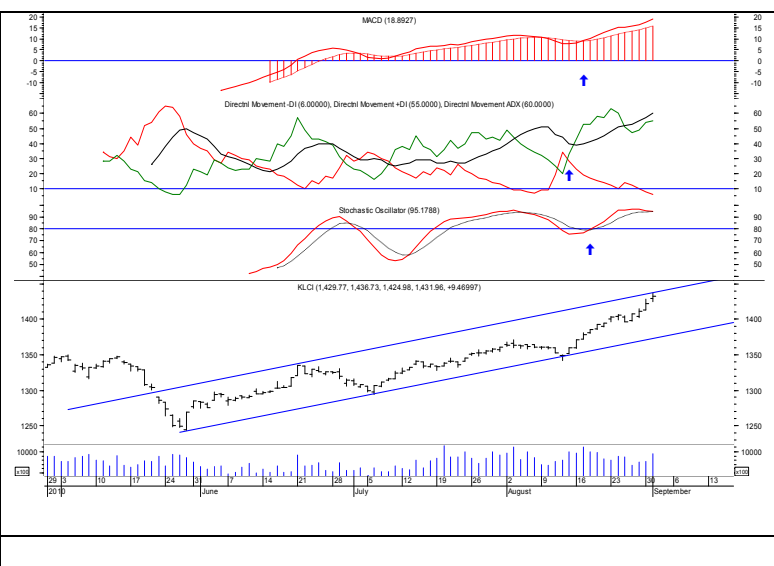


Technical Analysis – Daily FBM KLCI

	1/9/2010	30/8/2010
Open	1,429.77	1,412.98
High	1,436.73	1,428.44
Low	1,429.53	1,412.98
Close	1,433.0	1,422.49
Volume	949.2 m	769.2 m
Market Breadth		
Up	307	334
Down	476	377
Unchanged	270	281
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Highest since 21/1/2008

Market Commentary :

Affected by the Federal Reserve meeting on increasing concern about the economy, DJIA had on 31/8/2010 gained 4.99 points to close at 10,014.72.

The marginal single-digit gain in Wall Street injected another booster to Bursa Malaysia in the opening bell on 1/9/2010, FBM KLCI only traded to a low of **1,429.53** as traders chose not to play a selling game in anticipation of higher market. In the absence of stronger selling pressure in area of **1,429.53**, renewed buying interest rolled in, this lifted stock index higher into 1,430 zone to reach highest high of **1,436.73 since 21/1/2008** before settled at **1,431.96**.

The **rise of 9.47** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up **RM0.14** to **RM9.00**), **Sime Darby** (up **RM0.05** to **RM8.40**), **IOI Corp** (up **RM0.05** to **RM5.30**), **TM** (up **RM0.01** to **RM3.54**) and **Maybank** (up **RM0.10** to **RM8.49**).

What was the chart saying

Market continued to charge its way upward yesterday (1/9/2010) following the up close on 30/8/2010. The higher high market play on 1/9/2010 was not much of a surprise as the crossover of 1,420 hurdle on 30/8/2010, and the ability on the part of stock index to stay well supported above 1,420 level throughout the trading day on 30/8/2010 helped to provide another amount of buying confidence after the friendly indication from the up close on 26/8/2010 suggested an upward play ahead when the market settlement below 1,400 level on 25/8/2010 was supposed to have drawn in more selling interest on 26/8/2010.

What had caused the market to climb back up into 1,400 zone again on 26/8/2010 ? We recognized the fact that the up play into 1,400 zone on 23/8/2010 indeed consumed much efforts to put up a nice picture for every traders and investors to see, and these certain traders were simply not willing to end the up play here by clicking in just a few points above 1,400 level. This can be seen from the day high of 1,408 on 26/8/2010 and high of 1,415.28 on 27/8/2010.

Can KLCI reach 1,450 level ? A low market volume in KLCI did not always necessarily mean that stock index would stop making higher high, because it was not difficult to paint a friendly picture on KLCI chart given the types of stock component in the index. This market was supposedly due for a corrective move to go downward, somehow the unusual market force wanted to continue to keep the up play in the game, and the way it carried itself on 1/9/2010 implied that traders with winning trades would begin to lock in profits today even though the next upside target was pegged at 1,450 level.

Ladies & gentlemen, the market run-up of 94.6 points from low of 1,342.07 (12/8/2010) to a high of 1,436.73 (1/9/2010) in 14 days was believed to be viewed over-extended in the eyes of many traders especially with 13 up close days and only 1 down close day. **Why did the market continue to go higher to reach highest high of 1,436.73 since 21/1/2008 on 1/9/2010 when 1,420 level was earlier expected to pose a strong resistance ?** It was nothing more than the "feel good" sentiment in the current market upward direction with some traders still seen comfortable to play on buying side as long as the uptrend remained intact.

What were the strong hands doing

A check of internal market strength on 1/9/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions liquidated from 20/8/2010 to 1/9/2010 was about 35% of what was established between 11/8/2010 and 19/8/2010 compared to 39% 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 1,350; but, 1,400 level should act as immediate support.

The analysis of overall daily market action(s) on 1/9/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,436.73.