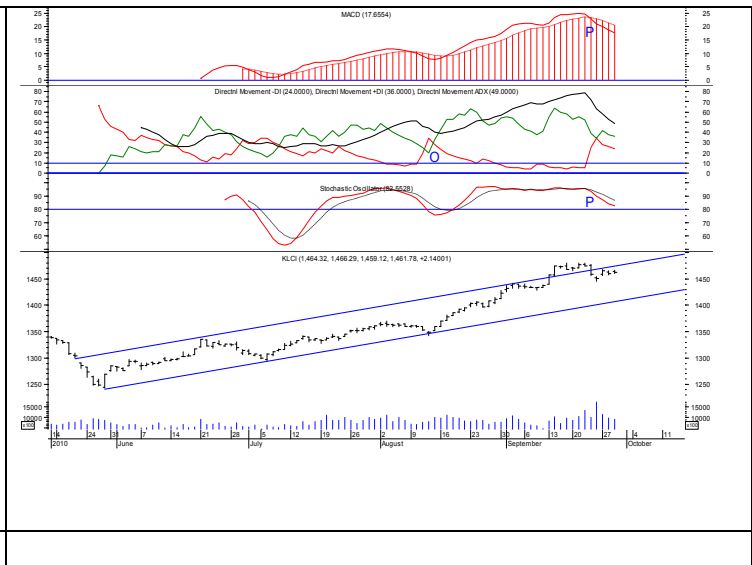


## Technical Analysis – Daily FBM KLCI

	29/9/2010	28/9/2010
Open	1,464.32	1,463.41
High	1,466.29	1,465.47
Low	1,459.12	1,457.80
Close	1,461.78	1,459.64
Volume	905.0 m	976.9 m
<b>Market Breadth</b>		
Up	430	244
Down	283	493
Unchanged	306	289
<b>Indicators</b>		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



**Still waiting for right timing .....**

### Market Commentary :

Led by optimism in corporate deals and earnings despite a surprise drop in Consumer Confidence Index for September 2010 to a 7-month low of 48.5 points, DJIA had on 28/9/2010 gained 46.10 points to close at 10,858.14.

The double-digit rise in Wall Street sent a helping hand to Bursa Malaysia in the opening bell on 29/9/2010, FBM traded higher to a day high of **1,466.29** as some traders took the chance to play a buying side. However, weak follow thru buying support in area of **1,466.29** prompted light profit taking activity to roll in, this put a pressure on stock index to go down to a day low of **1,459.12** before settled at **1,461.78**.

The **gain** of **2.14** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **KLK** (up **RM0.04** to **RM17.02**), **Sime Darby** (up **RM0.14** to **RM8.53**), **IOI Corp** (up **RM0.05** to **RM5.55**), **Genting** (up **RM0.02** to **RM9.90**) and **RHB Capital** (up **RM0.10** to **RM7.13**).

### What was the chart saying .....

Market did not trade lower yesterday (29/9/2010) despite a down close scenario in the preceding day (28/9/2010). Those traders that had pushed down the stock index on 28/9/2010 were again seen not in a hurry to stage an immediate follow thru selling interest the next day (29/9/2010), **why ?** Trying to find out what were actually in traders minds can never be easy; but, what can be figured out here was believed to have something to do with one single word – **PATIENCE**. These traders were not chasing the game up or down, and they were simply waiting for the game to come to them. They knew how to play the game **RIGHT**.

This market was looking for some forms of stability in an attempt to contain the positive trading sentiment that had been created lately. Market stability has always been viewed an important

All information, views and advice are given in good faith but without legal responsibility. Mercury Securities Sdn. Bhd. or companies or individuals connected with it may have used research material before publication and may have positions in or may be by materially interested in any stocks in the markets mentioned.

element in keeping the buying confidence, market would not go up if traders and investors do not have confidence in the market. This can be seen from the trading range in the past 3 days (27/9/2010 – 29/9/2010) where the upside gap created on 27/9/2010 remained unfilled, this indicated the unwillingness on the part of traders to play aggressively either on buying or selling side. Traders were waiting for a perfect timing to pull the right trigger .....

**Ladies & gentlemen, what can be said about the market move on 27/9/2010 ?** Firstly, a high portion of stock positions being liquidated on 24/9/2010, this can be seen from high market volume traded on that day. Secondly, 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.

### **What were the strong hands doing .....**

A check of internal market strength on 29/9/2010 showed that buying strength improved marginally with strong hand(s) seen acquiring a small portion of buying positions, and the net number of stock positions disposed from 15/9/2010 to 29/9/2010 was about 137% more than what was acquired between 8/9/2010 and 14/9/2010 compared to 138% 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 29/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,459.12.**