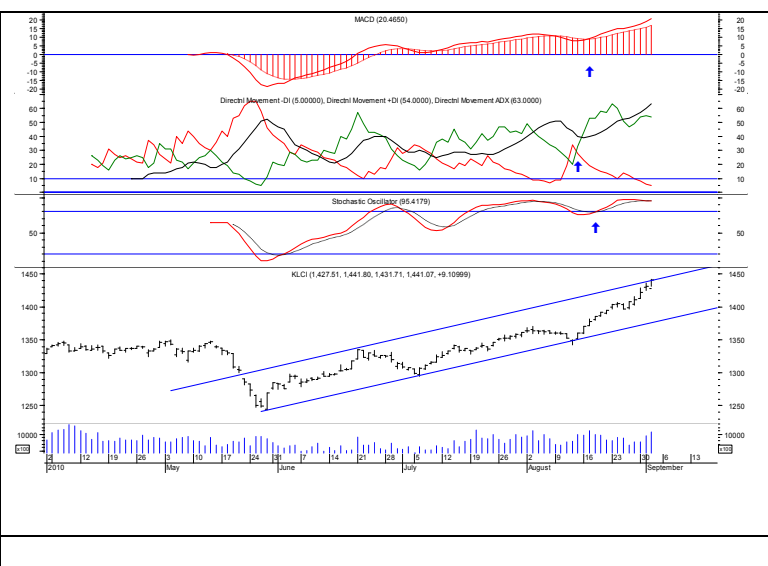


Technical Analysis – Daily FBM KLCI

	2/9/2010	1/9/2010	
Open	1,437.51	1,429.77	
High	1,441.80	1,436.73	
Low	1,431.71	1,429.53	
Close	1,441.07	1,433.0	
Volume	1,075 m	949.2 m	
Market Breadth			
Up	511	307	
Down	256	476	
Unchanged	258	270	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Volatility increased

Market Commentary :

Led by stronger-than-expected growth report on manufacturing for August 2010 in US, DJIA had on 1/9/2010 gained 254.75 points to close at 10,269.47.

The triple-digit gain in Wall Street sent an encouraging signal to Bursa Malaysia in the opening bell on 2/9/2010, FBM KLCI rose above 1,440 level to a high of **1,441.80 since 21/1/2008** as traders chose to play on buying side in anticipation of higher market. However, weak follow thru buying support in area of **1,441.80** prompted profit taking activity to roll in, this pushed stock index to slip below 1,440 level to a day low of **1,431.71** before recovered to settle at **1,441.07**.

The **rise of 9.11** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up RM0.03 to RM9.03), **Sime Darby** (up RM0.02 to RM8.42), **IOI Corp** (up RM0.08 to RM5.38), **TM** (up RM0.03 to RM3.57) and **Maybank** (up RM0.01 to RM8.50).

What was the chart saying

Market continued to charge its way upward yesterday (2/9/2010) on the back of positive close in preceding day and 254 points overnight gain in DJIA. The higher high market play on 2/9/2010 was again 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 had helped to provide additional amount of buying confidence after the friendly indication from the up close on 26/8/2010 which suggested an upward play ahead.

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 2/9/2010 was clear in its attempt to erase the weakened market sign presented on 1/9/2010.

Ladies & gentlemen, the market run-up of **99.73** points from low of 1,342.07 (12/8/2010) to a high of **1,441.80** (2/9/2010) in **15** days was believed to be viewed over-extended in the eyes of many traders especially with 14 up close days and only 1 down close day.

Why did the market continue to go higher to reach highest high of 1,441.80 since 21/1/2008 on 2/9/2010 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 willing to risk playing on buying side as long as the uptrend remained intact.

What were the strong hands doing

A check of internal market strength on 2/9/2010 showed that buying strength improved with strong hand(s) seen acquiring another portion of buying positions, and the net number of stock positions established from 26/8/2010 to 2/9/2010 was about 12% more than what was disposed between 19/8/2010 and 25/8/2010.

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 2/9/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,441.80.