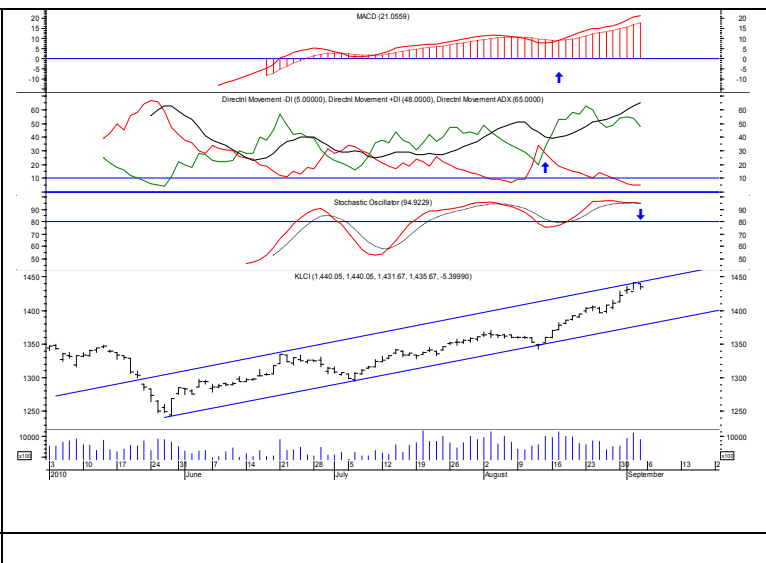


Technical Analysis – Daily FBM KLCI

	3/9/2010	2/9/2010
Open	1,440.05	1,437.51
High	1,440.05	1,441.80
Low	1,431.67	1,431.71
Close	1,435.67	1,441.07
Volume	922.0 m	1,075 m
Market Breadth		
Up	394	511
Down	325	256
Unchanged	291	258
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	sell	buy



Selling pressure rolled in

Market Commentary :

Led by a decline in new applications for unemployment benefits for 2nd straight week and stronger retail sales in August 2010 compared to the same corresponding period last year, DJIA had on 2/9/2010 gained 50.63 points to close at 10,320.10.

The double-digit gain in Wall Street did not send a positive trading sentiment to Bursa Malaysia in the opening bell on 3/9/2010, FBM only traded marginally higher above 1,400 level to a day high of **1,440.05** as traders decided not to stage another follow thru buying support. In the absence of stronger buying support, profit taking activity rolled in, and this put a pressure on stock index down to a day low of **1,431.67** before settled at **1,435.67**.

The **fall of 5.40** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Tenaga Nasional** (down **RM0.02** to **RM9.01**), **Sime Darby** (down **RM0.14** to **RM8.28**), **KLK** (down **RM0.04** to **RM16.98**), **HL Bank** (down **RM0.04** to **RM8.96**) and **Maybank** (down **RM0.05** to **RM8.45**).

What was the chart saying

Market did not trade higher last Friday (3/9/2010) despite the positive close in preceding day (2/9/2010) and 50.63 points overnight gain in DJIA. The lower high market play on 3/9/2010 was a surprise given the above 1 billion market volume on 2/9/2010, because higher volume indicated in-flow of money into the market, and what we saw on 3/9/2010 probably explained the psychological aspect of the market.

So, what would likely happen to the market next ? The inability on the part of stock index to go higher than 1,441.80 on 3/9/2010 may be dampening the bullish mood that had been created this while; but, we must also recognized the fact that this market had broken above 1,420 hurdle on

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30/8/2010 to come up this high of 1,441.80 (2/9/2010) without any notable profit taking activity. May be traders with winning traders thought that it would be better to take some monies off the table ahead of weekend even though the well supported trading activity above 1,420 level throughout the day on 30/8/2010 had helped to provide additional amount of buying confidence.

Can KLCI make a comeback to test 1,450 level ? At a day high of 1,441.80 (2/9/2010), KLCI was only 8.20 points away from the expected upside target of 1,450 level; furthermore, the market run-up of **99.73** points from low of 1,342.07 (12/8/2010) to a high of **1,441.80** (1/9/2010) 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. In other words, this market was supposedly due for a corrective move to go downward if it were not because of the unusual market force that wanted to continue to keep the up play in the game. **Any comeback up would depend on the degree of market correction.**

What were the strong hands doing

A check of internal market strength on 3/9/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, and the net number of stock positions established from 26/8/2010 to 3/9/2010 was about 22% of 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 1,395; but, 1,420 level should act as immediate support.

The analysis of overall daily market action(s) on 3/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,431.67.