

Technical Analysis – Weekly FBM KLCI

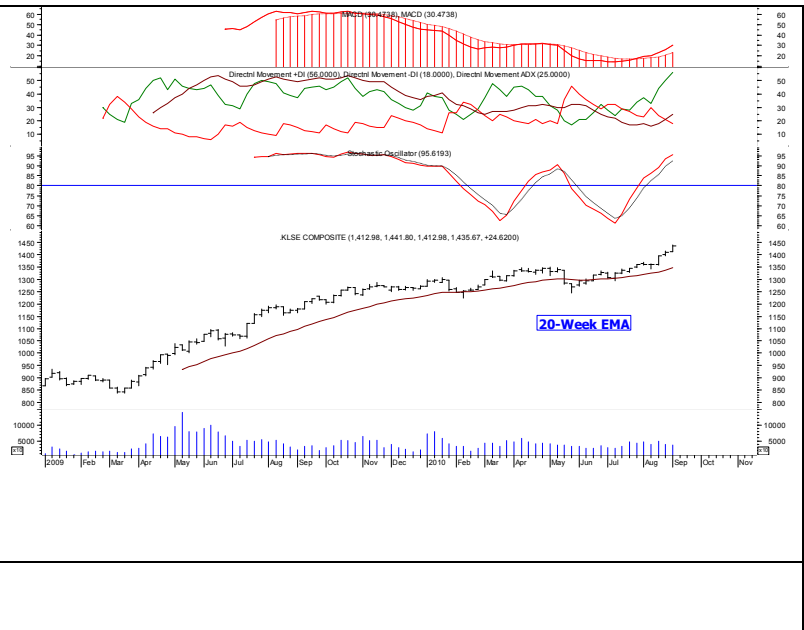
	3/9/2010	27/8/2010	
Open	1,412.98	1,399.87	
High	1,441.80	1,415.28	
Low	1,412.98	1,396.41	
Close	1,435.67	1,411.05	
Volume	3.70 b	4.02 b	
Pivot	1,430.15	1,407.5	
1 st Resis.	1,447.32	1,418.7	
2 nd Resis.	1,458.97	1,426.4	
1 st Supp.	1,418.50	1,399.8	
2 nd Supp.	1,401.33	1,388.7	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Chart wise : .

..... 89 % of total weekly market trading activity was on buying side

Weekly Market Commentary :

Supported by stronger retail sales in August 2010 compared to a year ago and a drop in new applications for unemployment benefit, DJIA crossed into 10,000 level to reach a high of **10,320.40** before settled at **10,320.10** for the week ended 2/9/2010.

The rebound in Wall Street helped to further improve the trading sentiment in Bursa Malaysia last week, FBM KLCI went above 1,440 level to reach highest high of **1,441.80** since 21/2/2008 as traders chose to play on buying side in anticipation of higher market; however, pre-weekend profit taking activity pushed the stock index to close off week high at **1,435.67**.

Last week, total market turnover was **3.70** billion shares compared to **4.02** billion shares in the preceding week; thus, the **smaller market volume** in an up close scenario suggested **weaker buying pressure**.

With a week high (1,441.80) higher than previous week high (1,415.28) and a low (1,412.98) higher than previous week low (1,396.41), can market continue to go upward ? The higher high and higher low last week (3/9/2010) suggested a friendly scenario, and it should thus help the market in making next attempt to go higher with immediate resistance expected at 1,450 level in coming week.

It was good to see the KLCI to come up this high with a breakout of the upper line of an upward sloping channel at 1,420 level; but, it must continue to find support at 1,420 level should market decide to make a correction as the ability to withstand selling pressure at 1,420 would help to turn the market around easier before resuming its upward direction.

On examination of the market behaviour for the week ended 3/9/2010, the weekly **up close** of **1,435.67** helped to paint a friendly picture onto the chart with immediate **support** pegged at **1,420** and **overhead resistance** at **1,450** level.

A mathematical calculation showed that about **89 %** of the total market trading activity for week ended 3/9/2010 was on the **buying side** compared to **79 %** in the previous week.

Conclusion :

The market action(s) for week ended 3/9/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus likely be making attempt to trade **above 1,441.80**.