

## Technical Analysis – Daily FBM KLCI

	6/9/2010	3/9/2010
Open	1,436.11	1,440.05
High	1,440.01	1,440.05
Low	1,431.68	1,431.67
Close	1,434.68	1,435.67
Volume	743.7 m	922.0 m
<b>Market Breadth</b>		
Up	316	394
Down	370	325
Unchanged	277	291
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	sell	buy

**Immediate support at 1,420 level .....**

### Market Commentary :

Led by a government report on employment beat expectations and encouraged investors, DJIA had on 3/9/2010 gained 127.83 points to close at 10,447.93.

The triple-digit gain in Wall Street helped the trading sentiment to Bursa Malaysia in the opening bell on 6/9/2010, FBM traded marginally higher above 1,440 level to a day high of **1,440.01** as some traders chose to play a buying game in anticipation of higher market. However, weak follow through buying support in area of **1,440.01** prompted renewed selling interest to roll in, and this put a pressure on stock index down to a day low of **1,431.68** before settled at **1,434.68**.

The **fall of 0.99** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Tenaga Nasional** (down **RM0.03** to **RM8.98**), **Sime Darby** (down **RM0.10** to **RM8.18**), **IOI Corp** (down **RM0.03** to **RM5.35**), **HL Bank** (down **RM0.01** to **RM8.95**) and **Maybank** (down **RM0.03** to **RM8.42**).

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

Market made an attempt to go higher than last Friday's high yesterday (6/9/2010); but, in vain as traders did not seem to be willing to play an aggressive game following the negative close in preceding day (3/9/2010). The lower high market play on 6/9/2010 was not much of a surprise given the near 1 billion shares on 3/9/2010, and it indicated more selling pressure ..... ; moreover, the higher market volume exceeded 1 billion shares on 2/9/2010 was earlier supposed to lift the market in a more convincing manner had not been successful in carrying out the "expectation".

**So, what would likely happen to the market next after 3/9/2010 ?** 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

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1,420 hurdle on 30/8/2010 to come up this high of 1,441.80 (2/9/2010) without any notable profit taking activity. There was still buying interest in the market on 6/9/2010 except that selling interest was stronger, this capped stock index from climbing higher.

**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 anticipated 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** (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. 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 continued 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 6/9/2010 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 **6/9/2010** was about **1%** of what was disposed between 19/8/2010 and 25/8/2010 compared to **22%** in the preceding trading day.

### **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 6/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,431.68.**