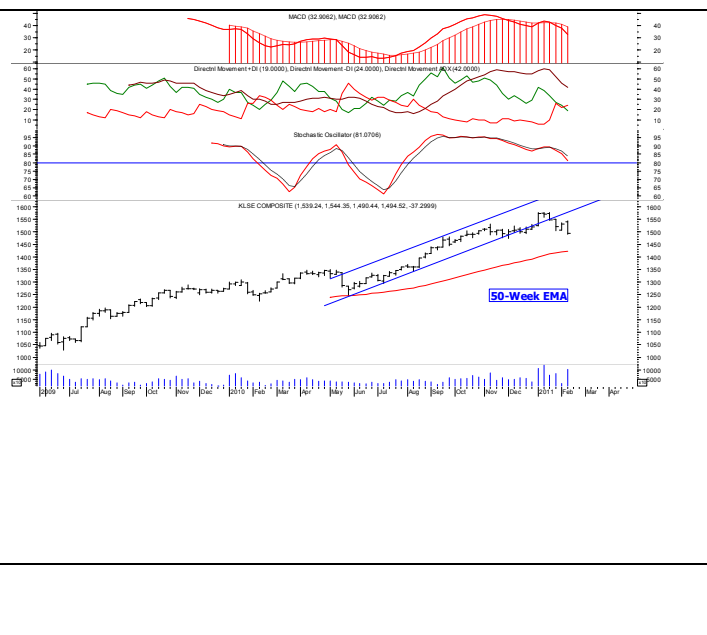


**Technical Analysis – Weekly FBM KLCI**

	11/1/2011	2/2/2011
Open	1,539.24	1,507.67
High	1,544.35	1,536.27
Low	1,490.44	1,505.85
Close	1,494.52	1,531.82
Volume	12.5 b	2.94 b
<b>Pivot</b>	1,509.7	1,524.6
1 <sup>st</sup> Resis.	1,529.1	1,543.4
2 <sup>nd</sup> Resis.	1,563.6	1,555.0
1 <sup>st</sup> Supp.	1,475.1	1,513.0
2 <sup>nd</sup> Supp.	1,455.8	1,494.2
<b>Indicators</b>		
MACD	Sell	Sell
DM Index	Sell	Buy
Stochastics	sell	sell

**Chart wise :**

.....8% of market volume on buying .....

**Weekly Market Commentary :**

Supported by report on sharp drop in unemployment rate to 9% in January 2011 from 9.4% in December 2010 to register the lowest rate since April 2009, acquisition reports of EnSCO PLC to buy over Pride International Inc. for US\$7.3 billion, Danaher Corp to take over Beckman Coulter Inc. for US\$5.8 billion, and stronger earnings result from Loews Corp., DJIA traded higher to a high of **12,254.20** in the week ended 10/2/2011 before settled at **12,229.30**.

The gain in Wall Street did not send friendly signal to Bursa Malaysia last week, FBM KLCI in fact came under great selling pressure to a low of **1,490.44** to settle at **1,494.52**.

Last week, total market turnover was **12.5** billion shares compared to **2.94** billion shares in the preceding week; thus, the **bigger** market volume in a **down close** scenario suggested stronger selling pressure.

**With a week high (1,544.35) higher than previous week high (1,536.27) and a low (1,490.44) lower than previous week low (1,505.85), can market continue to go upward ?** The inability on the part of stock index to stay above 1,530 level with a low under 1,500 level did not augur well for a friendly market development, as it showed that traders were more keen to play a more aggressive selling game. Thus, we would likely see a follow thru selling pressure next week (14/2/2011 – 18/2/2011).

The weekly chart showed that stock index had broken below the upward sloping channel in week ended 28/1/2011. This downside breakout of upward sloping channel line should not be ignored, for it carried the significance of foreshadowing higher probability of more downside in coming week with still a chance to test a low of 1,480 level. And, a downside breakout of 1,480 level would see the market to trade lower with next support at 1,430 level.

On examination of the market behaviour for the week ended **11/2/2011**, the weekly **down close** of **1,494.52** did not paint a friendly picture onto the chart with immediate **support** pegged at **1,475** and **overhead resistance** at **1,545** level.

A mathematical calculation showed that about **8%** of the total market trading activity for week ended **11/2/2011** was on the **buying side** compared to **89%** in the previous week.

### **Conclusion :**

The market action(s) for week ended **11/2/2011** revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to go **below 1,490.44**.