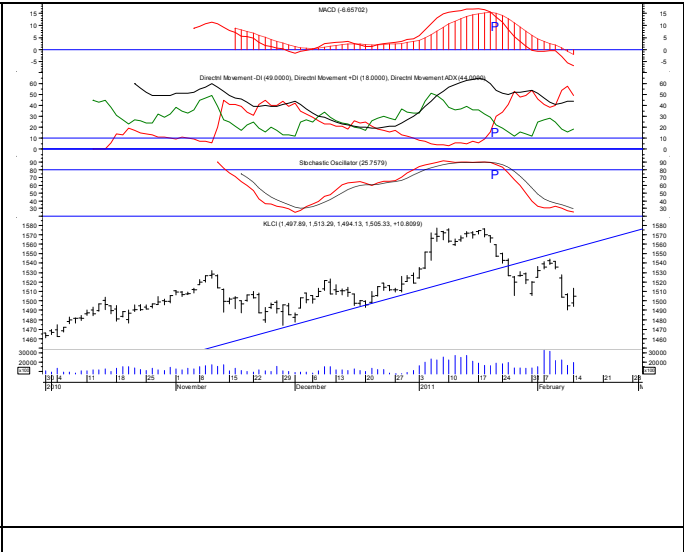


## Technical Analysis – Daily FBM KLCI

|                       |           |           |  |
|-----------------------|-----------|-----------|--|
|                       | 14/2/2011 | 11/2/2011 |  |
| Open                  | 1,497.89  | 1,506.91  |  |
| High                  | 1,513.29  | 1,507.06  |  |
| Low                   | 1,494.13  | 1,490.44  |  |
| Close                 | 1,505.23  | 1,494.52  |  |
| Volume                | 1.97      | 1.67 b    |  |
| <b>Market Breadth</b> |           |           |  |
| Up                    | 546       | 206       |  |
| Down                  | 268       | 635       |  |
| Unchanged             | 285       | 271       |  |
| <b>Indicators</b>     |           |           |  |
| MACD                  | Sell      | Sell      |  |
| DM Index              | Sell      | Sell      |  |
| Stochastics           | Sell      | sell      |  |

**A close above 1,513 necessary .....**

### Market Commentary :

Eased by concern of Hosni Mubarak resignation, DJIA had on 11/2/2011 **gained 43.97** points to close at **12,273.26**.

The double-digit **rise** in Wall Street sent a positive effect to Bursa Malaysia in the opening bell on **14/2/2011**, FBM KLCI only traded to a day low of **1,494.13** as traders decided not to stage a follow thru selling pressure. In the absence of stronger selling pressure, light bargain hunting interest rolled in, this lifted stock index into 1,500 level to a high of **1,513.29** before settled **1,505.33**.

The **rise** of **10.81** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp** (up **RM0.05** to **RM5.58**), **TM** (up **RM0.02** to **RM3.88**), **AMMB** (up **RM0.12** to **RM6.27**), **Public Bank** (up **RM0.06** to **RM13.10**) and **Hong Leong Bank** (up **RM0.02** to **RM9.23**).

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

Market did not go lower on 14/2/2011 despite the weak close on last Friday, and that was something unexpected as the market was earlier seen on its way to make a lower level for 14/2/2011. **What had happened ?** Well, there was basically a change in the game play on 14/2/2011 with traders held back their selling orders, and this somehow gave a chance to aggressive traders to snap up cheaper stock positions.

The sudden turnaround on 14/2/2011 was indeed "friendly", and it can be interpreted as encouraging, because it signified the willingness on the part of traders to play on buying side.

Market development was supposed to be on negative side given the downside violation of 1,500 level on 11/2/2011; but, the climb back up into 1,500 level on 14/2/2011 helped to "halt" that negativity from developing further at this juncture. Thus, market can be expected to find support at

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1,490 level on close basis for the time being along with small consolidation being shaping up in an attempt to further neutralize the imbalance demand & supply relationship. .

While higher market play would likely to continue in coming days; but, many conservative traders would still want to stay sideline before jumping into the bandwagon. Moreover, the 7 points of downside gap created on 10/2/2011 to remain a hurdle.

**How high can this market likely to go ?** The stock index would continue to test on higher side with immediate market resistance seen at 1,513 level.

Market volume was **1.97** billion shares on 14/2/2011 compared to **1.67** billion shares on 11/2/2011.

**What can be said about that ?** *The smaller market volume with a rise in stock index showed the presence of weaker selling interest.* The advancers/decliners ratio stood at **546/268** on 14/2/2011 compared to **206/635** on 11/2/2011 and **160/750** on 10/2/2011.

### **What were the strong hands doing .....**

A check of internal market strength on 14/2/2011 showed that buying strength *improved* with strong hand(s) seen *acquiring a portion of buying positions*, and the net number of stock positions *liquidated* from *10/2/2011 to 14/2/2011* was about *38% of* what was *established* between 25/1/2011 and 9/2/2011.

### **Conclusion :**

**Market outlook was not seen friendly as KLCI had on 10/2/2011 broke below the 50-day MA with next immediate market support level at 1,475.**

**The analysis of overall daily market action(s) on 14/2/2011 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,513.29.**