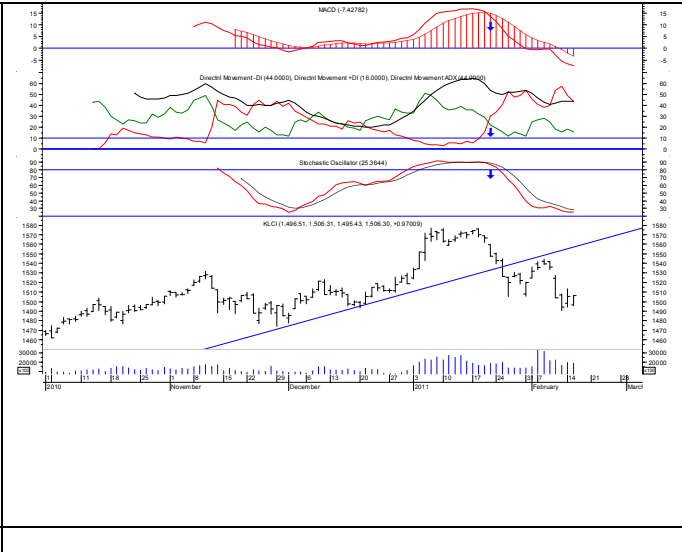


Technical Analysis – Daily FBM KLCI

	16/2/2011	14/2/2011	
Open	1,496.51	1,497.89	
High	1,506.31	1,513.29	
Low	1,495.43	1,494.13	
Close	1,506.30	1,505.23	
Volume	1.87 b	1.97 b	
Market Breadth			
Up	342	546	
Down	493	268	
Unchanged	259	285	
Indicators			
MACD	Sell	Sell	
DM Index	Sell	Sell	
Stochastics	sell	sell	

1,413 still a level to watch

Market Commentary :

Dampened by US retail sales data, DJIA had on 15/2/2011 **shed 41.55** points to close at **12,226.64**.

The double-digit **drop** in Wall Street sent a negative effect to Bursa Malaysia in the opening bell on **16/2/2011**, FBM KLCI fell below 1,500 level to reach a day low of **1,495.43** as some traders decided to play on selling side in anticipation of lower market. However, weak follow thru selling pressure in area of 1,495.43 prompted light bargain hunting interest to roll in, this lifted stock index back up into 1,500 level to a high of **1,506.31** before settled **1,506.30**.

The **rise** of **0.97** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp** (up RM0.13 to RM5.71), **TM** (up RM0.03 to RM3.91), **Tenaga Nasional** (up RM0.01 to RM6.15), **Genting** (up RM0.02 to RM10.18) and **Hong Leong Bank** (up RM0.17 to RM9.40).

What was the chart saying

Market did not come down lower on 16/2/2011 despite the up close on 14/2/2011. The higher low move scenario for 16/2/2011 was expected as the market was earlier seen on its way to make a higher level. **What did it mean ?** Well, it reflected that the change in the game play on 14/2/2011 with traders held back their selling orders continued to remain in force, and this again can be seen from the market climb into 1,500 zone after falling below 1,500 level.

Like what we had said in our market report on 14/2/2011 for 16/2/2011, 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.

The return move into 1,500 level on 14/2/2011 and 16/2/2011 had helped to "halt" negativity from developing further at this juncture. Thus, market can be expected to find support at 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 was still viewed 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 **1.87** billion shares on 16/2/2011 compared to **1.97** billion shares on 14/2/2011. **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 **x/x** on 16/2/2011 compared to **546/268** on 14/2/2011 and **206/635** on 11/2/2011.

What were the strong hands doing

A check of internal market strength on 16/2/2011 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions**, and the net number of stock positions **liquidated** from **10/2/2011 to 16/2/2011** was about **31% of** what was **established** between 25/1/2011 and 9/2/2011 compared to **38%** in the preceding trading day.

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 16/2/2011 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,506.31.