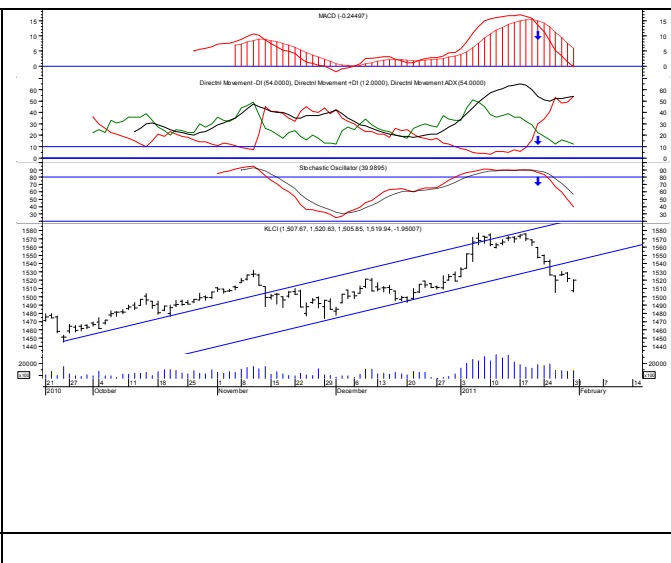


## Technical Analysis – Daily FBM KLCI

	31/1/1011	28/1/2011	
Open	1,507.67	1,528.73	
High	1,520.63	1,529.84	
Low	1,505.85	1,518.48	
Close	1,519.94	1,521.89	
Volume	1.41 b	1.34 b	
<b>Market Breadth</b>			
Up	300	301	
Down	428	462	
Unchanged	280	280	
<b>Indicators</b>			
MACD	Sell	Sell	
DM Index	Sell	Sell	
Stochastics	Sell	sell	

**Supportive buying interest seen .....**

### Market Commentary :

Fears over unrest in Egypt, DJIA had on 28/1/2011 **lost 166.13** points to close at **11,823.70**.

The tripe-digit **fall** in Wall Street sent a strong negative effect to Bursa Malaysia in the opening bell on 31/1/2011, FBM KLCI went down to a low of **1,505.85** as traders chose to sell their stock positions in anticipation of lower market. However, renewed buying support rolled in to lift the stock index off low to a day high of **1,520.63** before settled **1,519..**

The **drop** of **1.95** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB** (down RM0.07 to RM8.38), **Genting** (down RM0.18 to RM10.66), **Tenaga Nasional** (down RM0.08 to RM6.15), **Maybank** (down RM0.01 to RM8.70) and **Hong Leong Bank** (down RM0.01 to RM9.25).

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

Market went lower on 31/1/2011 given the down close scenario last Friday and overnight loss in Wall Street. The lower market on 31/1/2011 was not much of a surprise, because the market was supposed to show a friendly settlement in the subsequent day (28/1/2011); but, it ended up with a down close. **So, what triggered the stock index into lower ground on 31/1/2011 ?** The market sentiment may be seen improving slightly earlier on 27/1/2011; but, the overall weakness was still felt by the traders in general with the creation of downside gap in the opening bell on 31/1/2011, which was subsequently filled up in the later part of trading session. The downside gap may have indicated the urgency on the part of traders to sell; but, the filled up gap showed the availability of buying interest in the vicinity of 1,505..

Like we had **said** earlier, many traders were taken by surprise on sudden rebound on 27/11/2011; but, the minority well-informed traders also seemed to understand that this market needed time to consolidate after the recent sharp decline, and it was not easy to reverse the market upward in an

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abrupt manner at this juncture. Moreover, the unsuccessful attempt to test its immediate peak of 1,576.95 (6/1/2011) on 18/1/2011 would still be haunting many traders emotionally on the fear side.

**Ladies & gentlemen**, the downside gap on 21/1/2011 occurred near the previous supportive level at 1,558.64 (11/1/2011) carried certain amount of significance for it indicated a breakaway, and traders would likely respect this negative market sign as reference in their game play.

This market had become **weakened** with traders likely to sell into rallies with the downside violation of support level at 1,530 on 26/1/2011. However, if market could **reverse to climb back up above 1,530 level, a friendly play can be expected** to take place in the immediate short term.

**Ladies & gentlemen**, the decline from high of 1,576.42 on 18/1/2011 to a low of 1,505.36 on 26/1/2011 represented a 70% retracement from low of **1,474.02** on 29/11/2010 to the high of 1,576.42 on 18/1/2010. However, market had on 26/1/2011 managed to recover a portion of lost ground above 1,513 level (61.8% retracement) by registering a close above 1,513 level in an attempt to avoid an overly "bearish" scenario. **A close below 1,513 level would accelerate a market decline with an eye to break 1,500 psychological support.**

Market volume was **1.41** billion shares on 31/1/2011 compared to **1.34** billion shares on 27/1/2011. **What can be said about that ? The bigger market volume with a fall in stock index showed the presence of stronger selling interest.** The advancers/decliners ratio stood at **300/428** on 31/1/2011 compared to **301/462** on 28/1/2011 and **528/238** on 27/1/2011.

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

A check of internal market strength on 31/1/2011 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions**, and the net number of stock positions **established** from **26/1/2011 to 31/1/2011** was about **23% of** what was **liquidated** between 17/1/2011 and 25/1/2011 compared to **22%** in the preceding day.

## **Conclusion :**

**Market outlook was not seen friendly as KLCI had on 25/1/2011 broken below the 50-day MA with key market support level pegged at 1,470.**

**The analysis of overall daily market action(s) on 31/1/2011 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,520.63.**