

**Technical Analysis – Weekly FBM KLCI**

	14/1/2011	7/1/2010	
Open	1,574.64	1,524.53	
High	1,576.37	1,576.95	
Low	1,558.64	1,523.72	
Close	1,569.89	1,572.21	
Volume	12.2 b	10.7 b	
<b>Pivot</b>	1,568.3	1,557.6	
1 <sup>st</sup> Resis.	1,577.9	1,591.5	
2 <sup>nd</sup> Resis.	1,586.0	1,610.8	
1 <sup>st</sup> Supp.	1,560.2	1,538.3	
2 <sup>nd</sup> Supp.	1,550.5	1,504.4	
<b>Indicators</b>			
MACD	Buy	Buy	
DM Index	Buy	Buy	
Stochastics	buy	Buy	

**Chart wise :**

.....36 % of market volume on buying .....

**Weekly Market Commentary :**

Supported by the successful bond auction in Portugal and hopes that banks in US would start raising their dividends, and better-than-expected report on factory orders for November 2010, DJIA traded higher to a high of **11,782.20** in the week ended 13/1/2011 before settled at **11,731.90**.

The gain in Wall Street did not send really a positive signal to Bursa Malaysia last week, FBM KLCI only traded to a day high of **1,576.37** before settled at **1,569.89**.

Last week, total market turnover was **12.2** billion shares compared to **10.7** billion shares in the preceding week; thus, the bigger market volume in a **down close** scenario suggested stronger selling pressure.

**With a week high (1,576.37) lower than previous week high (1,576.95) and a low (1,558.64) higher than previous week low (1,523.72), can market continue to go upward ?** The inability on the part of stock index to surpass immediate high of 1,576.95 (6/1/2011) under bigger volume was not a friendly sign, for it showed the presence of overhead selling interest in the vicinity of 1,577, market apparently needed stronger buying support to take the stock index higher.

A glance at the weekly chart showed that stock index remained within the upward sloping channel, and the rebound from the lower band line in week ended 24/12/2010

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indicated the readiness on the part of stock index to test the upper band line of the channel.

On examination of the market behaviour for the week ended 14/1/2011, the weekly **down close** of **1,569.89** did not paint a friendly picture onto the chart with immediate **support** pegged at **1,520** and **overhead resistance** at **1,630** level.

A mathematical calculation showed that about **36 %** of the total market trading activity for week ended 14/1/2011 was on the **buying side** compared to **94%** in the previous week.

### **Conclusion :**

The market action(s) for week ended 14/1/2011 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to go **below 1,558.64** **after making attempt to go higher than 1,576.37** .