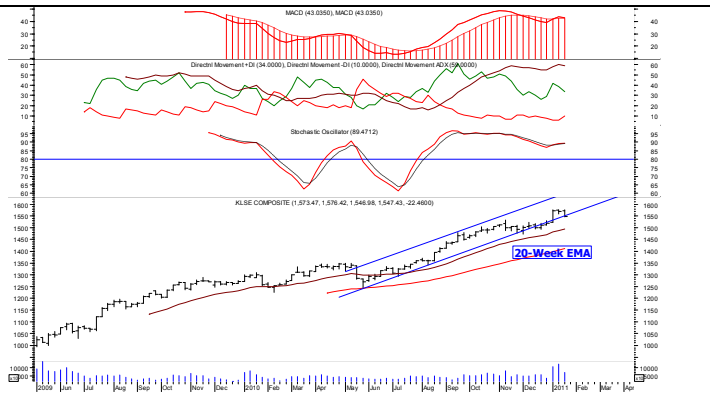


**Technical Analysis – Weekly FBM KLCI**

	21/1/2011	14/1/2011
Open	1,573.47	1,574.64
High	1,576.42	1,576.37
Low	1,546.98	1,558.64
Close	1,547.43	1,569.89
Volume	7.12 b	12.2 b
Pivot	1,556.9	1,568.3
1 st Resis.	1,566.9	1,577.9
2 nd Resis.	1,586.3	1,586.0
1 st Supp.	1,537.4	1,560.2
2 nd Supp.	1,527.5	1,550.5
Indicators		
MACD	Buy	Buy
DM Index	Buy	Buy
Stochastics	Buy	Buy

**Chart wise :**

.....5% of market volume on buying

Weekly Market Commentary :

Supported by stronger-than-expected US jobs & housing data, and JP Morgan's increase of 47% income in the 4th quarter report with hopes of banks to raise dividends, DJIA traded higher to a high of **11,861.20** in the week ended 20/1/2011 before settled at **11,822.80**.

The gain in Wall Street did not send positive signal to Bursa Malaysia last week, FBM KLCI traded marginally higher in line with Wall Street performance to a day high of **1,576.42** before came down sharply to a low of 1,546.98 to settle at **1,547.43**.

Last week, total market turnover was **7.13** billion shares compared to **12.2** billion shares in the preceding week; thus, the smaller market volume in a **down close** scenario suggested weaker buying power.

With a week high (1,576.42) higher than previous week high (1,576.37) and a low (1,551.97) lower than previous week low (1,558.64), can market continue to go upward ? The ability on the part of stock index to go higher than previous week high followed by a lower low was a negative sign, it showed that traders were not comfortable to play a more aggressive buying game as market approached its peak of 1,576.95.

A glance at the weekly chart showed that stock index "hit" the lower line of upward sloping channel, and it was in danger of breaking below this lower line. **A downside**

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violation plus a down close scenario of this lower line would have an annihilating effect to the market as it would signal an end to the bullish trend and a beginning of a bearish down trend.

On examination of the market behaviour for the week ended **21/1/2011**, the weekly **down close** of **1,547.43** did not paint a friendly picture onto the chart with immediate **support** pegged at **1,520** and **overhead resistance** at **1,577** level.

A mathematical calculation showed that about **5%** of the total market trading activity for week ended **21/1/2011** was on the **buying side** compared to **36%** in the previous week.

Conclusion :

The market action(s) for week ended **21/1/2011** revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be likely to go **below 1,546.98**.