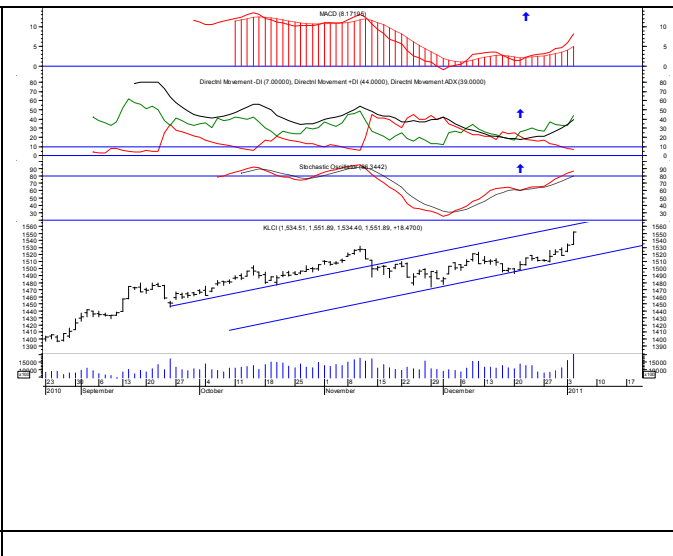


## Technical Analysis – Daily FBM KLCI

	4/1/2011	3/1/2011	
Open	1,534.57	1,524.53	
High	1,551.89	1,535.02	
Low	1,534.40	1,523.72	
Close	1,551.89	1,533.42	
Volume	2.01 bil	1.60 bil	
<b>Market Breadth</b>			
Up	637	664	
Down	233	195	
Unchanged	262	229	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

**Another New Record High; But, Resistance Seen At 1,563 level.....**

### Market Commentary :

Supported by signs of economy improving with manufacturing activity rose in December 2010 for the 17<sup>th</sup> straight month (Institute of Supply Management) and a marginal increase of 0.4% in construction spending (Commerce Dept.), DJIA had on 3/1/2011 gained **93.24** points to close at **11,670.75**

The rise of double-digit in Wall Street sent another relatively strong signal to Bursa Malaysia in the opening bell on 4/1/2011, FBM KLCI only traded to a day low of **1,534.40** as traders chose not to play a selling game. Under greater buying support, stock index went higher into 1,550 zone with NEW high of **1,551.89** before settled at **day high on last minute selective buying of blue chips**.

The **rise** of **18.47** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Genting** (up **RM0.04 to RM11.28**), **HL Bank** (up **RM0.05 to RM9.39**), **Maybank** (up **RM0.22 to RM8.77**), **Sime Darby** (up **RM0.51 to RM9.46**) and **KLK** (up **RM0.28 to RM22.66**).

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

Market charged its way to another record high yesterday (4/1/2011) given the up close scenario in the preceding day (3/1/2011) and favourable overnight external market performance. The higher market level on 4/1/2011 was expected as there was a strong buying power on 3/1/2011 with stock index managed to recover its position above 1,520 level. **Why another day of higher market on 4/1/2011 ?** It was believed to be more of a mental slate kind of thing, traders were excited about the double-digit up close on 3/1/2011, and there was basically a friendly spill over effect.

**Ladies & gentlemen**, the market turnaround on 3/1/2011 had provided us the hint on what was in traders' mind. **Would the high of 1,551.89 on 4/1/2011 continue to point to a higher**

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**market today (5/1/2011) ?** Technically, market should continue to trade higher based on Newton's First Law of Motion, and chances are high to see a higher level on 5/1/2011. However, the market is expected to run into an overhead resistance at 1,5620 level after 2-day (3/1/2011 & 4/1/2011) run up.

Market volume was **2.01** billion shares on 4/1/2011 compared to 1.60 billion shares on 3/1/2011. **What can be said about that ?** The increase in market volume indicated more buying participation in the game play.

**Given what happened on 4/1/2011, what would the market do next ?** The higher market on 4/1/2011 was encouraging as traders would likely be riding on this positive sentiment to play an upward game. **Be on a look out for overhead resistance selling at 1,563 level.**

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

A check of internal market strength on 4/1/2011 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a portion of buying positions***, and the net number of stock positions ***acquired*** from ***17/12/2010 to 4/1/2011*** was about ***19% more than*** what was ***liquidated*** between 9/12/2010 and 16/12/2010.

### **Conclusion :**

**Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level pegged at 1,500.**

**The analysis of overall daily market action(s) on 4/1/2011 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,551.89.**