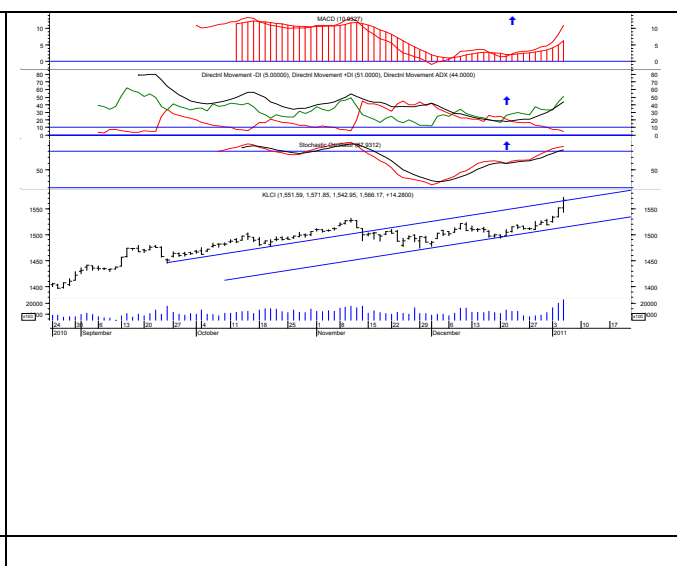


Technical Analysis – Daily FBM KLCI

	5/1/2011	4/1/2011
Open	1,551.59	1,534.57
High	1,571.85	1,551.89
Low	1,542.95	1,534.40
Close	1,566.17	1,551.89
Volume	2.34 b	2.01 bil
Market Breadth		
Up	547	637
Down	320	233
Unchanged	273	262
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



1,563 level to remain a hurdle

Market Commentary :

Supported by better-than-expected report on factory orders for November 2010, DJIA had on 4/1/2011 gained **20.43** points to close at **11,691.18**.

The double-digit rise in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 5/1/2011, FBM KLCI only traded to a day low of **1,542.95** as some traders chose to profit take a portion of their winning trades. However, weak follow thru selling pressure in area of **1,542.95** prompted renewed buying support to roll in, this lifted stock index back up into 1,570 zone with a high of **1,571.85** before settled at **1,566.17**.

The **rise** of **14.28** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Genting** (up RM0.02 to RM11.30), **CIMB** (up RM0.35 to RM9.00), **Maybank** (up RM0.24 to RM9.01), **TM** (up RM0.02 to RM3.57) and **AMMB** (up RM0.11 to RM7.15).

What was the chart saying

Market continued to momentum to record another new high at 1,571.85 yesterday (5/1/2011) following the up close scenario in the preceding day (4/1/2011) and favourable overnight external market performance. The higher market level on 5/1/2011 was again expected as there was a strong buying power on 4/1/2011 with stock index managed to hit new high on the back of 2.0 billion shares on. **Why another day of higher market on 5/1/2011 ?** Like we said earlier, what we saw on 5/1/2011 was more of a mental slate kind of thing, traders were excited about the double-digit up close on 3/1/2011 and 4/1/2011, 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 1,571.85 on 5/1/2011 continue to point to a higher market today (6/1/2011) ?** 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 6/1/2011; however, the

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market is expected to run into an overhead resistance at **1,563** level after 3-day (3/1/2011, 4/1/2011 & 5/1/2011) run up. **Wasn't 1,563 level being broken on 5/1/2011 ? We only saw first up close above 1,563 level on 5/1/2011, and we shall see whether the market could do the same today (6/1/2011) and tomorrow (7/1/2011).**

Market volume was **2.34** billion shares on 5/1/2011 compared to **2.01** billion shares on 4/1/2011. **What can be said about that ?** The increase in market volume indicated more buying participation in the game play; but, the ratio of advancers/decliners had fallen to 547 against 320 on 5/1/2011 as compared to 637 versus 233 on 4/1/2011.

Given what happened on 5/1/2011, what would the market do next ? The higher market on 5/1/2011 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 5/1/2011 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 5/1/2011** was about **63% more than** what was *liquidated* between 9/12/2010 and 16/12/2010 compared to **19%** in the preceding day.

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 5/1/2011 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,571.85.