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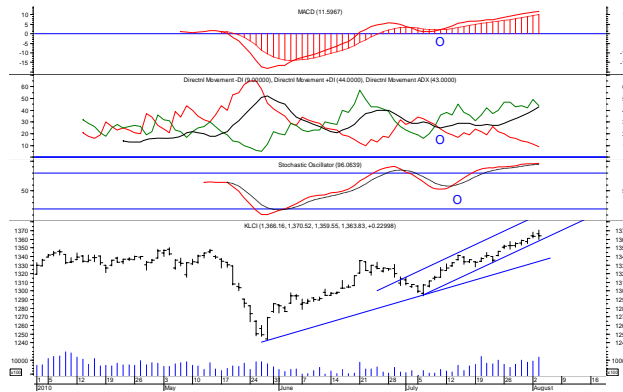
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MARKET FLASH

FBM KLCI

Wed, 4 Aug 2010



MARKET STATISTICS (3/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,363.83	+ 0.23
FBM 100	8,976.13	+ 0.55
FBM ACE	3,815.01	- 6.92
Volume (m)	1,105.8	
Value (RMm)	1,462.7	
Up	250	
Down	479	
Unchanged	270	

FOREIGN

Nikkei	9,694.01	+ 123.70
Hang Seng	21,457.66	+ 44.87
STI	3,014.77	- 10.27
Shanghai CI	2,627.00	- 45.51

BURSA MOVERS

Gainers	Close	Chg
BAT	45.20	+ 0.74
PetDag	9.90	+ 0.21
Prkcorp	1.13	+ 0.12
CCB	6.00	+ 0.11
PB Bank-01	12.06	+ 0.10

Losers	Close	Chg
Notion	2.11	- 0.24
Tomypak	3.35	- 0.20
Chintek	7.88	- 0.20
KStar	2.10	- 0.17
Cocoland	2.85	- 0.17

Actives	Close	Chg
Sinotop	0.175	- 0.08
Unisem-wr	0.39	+ 0.065
KNM	0.52	- 0.01
P & O	1.20	+ 0.05
Talam	0.12	=

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,359.55 level.

Market Buying Strength :

About **39%** of total market volume on 3/8/2010 was on buying side compared to **45%** in the preceding trading day.

"Movement" in Strong Hands :

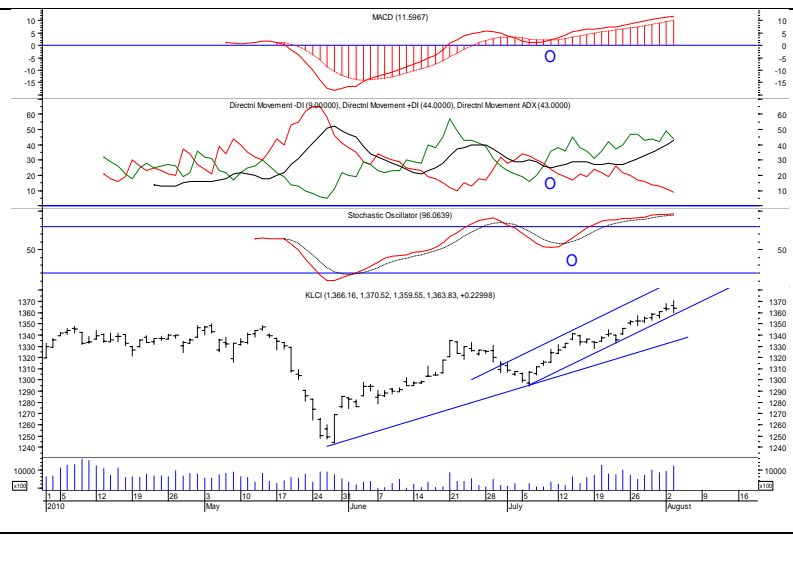
Strong hands were seen **liquidating** a small portion of stock positions on 3/8/2010.

Pivot Point Studies for Intra-Day :

For **Wednesday (4/8/2010)**, 1st resistance @ 1,369.7 & 2nd resistance @ 1,375.6 ; 1st support @ 1,358.7 & 2nd support @ 1,353.6.

To read more

Technical Analysis – Daily FBM KLCI

	3/8/2010	2/8/2010	
Open	1,366.16	1,364.23	
High	1,370.52	1,368.43	
Low	1,359.55	1,361.37	
Close	1,363.83	1,363.60	
Volume	1,105 m	963.7 m	
Market Breadth			
Up	250	494	
Down	479	280	
Unchanged	270	243	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Selling pressure increased

Market Commentary :

Supported by better than expected July 2010 manufacturing activity, stronger European banks' earnings and China's moderate industrial growth, DJIA had on 2/8/2010 gained 208.44 points to close at 10,674.38

The triple-digit gain in Wall Street sent a positive trading sentiment to Bursa Malaysia in the opening bell on 3/8/2010, FBM KLCI traded higher to cross into 1,370 zone to an intra-day high of **1,370.52** as traders chose to play a buying game in anticipation of higher market. However, weak follow thru buying support in the vicinity of **1,370.52** prompted profit taking activity to roll in, and this pushed the stock index to go down below 1,360 level with a day low of **1,359.55** before settled at **1,363.83**.

The **rise** of **0.23** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Public Bank** (up RM0.10), **Tenaga** (up RM0.08), **PetDag** (up RM0.21), **HL Bank** (up RM0.06) and **Topglove** (up RM0.08).

What was the chart saying

Market continued to see "supportive" buying interest yesterday (3/8/2010) with another crossover of hurdle at 1,365 level on the back of up close plus better volume in the preceding day (2/8/2010). However, traders were still seen a bit nervous as market approached 1,370 level, there was no higher market participation at that level. **So, what would likely to happen next ?**

Let's do a recap of recent market happenings.

On 3/8/2010, market went higher to trade into 1,370 zone. **Logically**, traders should have felt the kind of trading excitement at that level and driven by the desire to join in the game. Somehow, we did not get to see the expected hu....ha. This reflected the psychological aspect of trading game, many traders and investors have obviously learnt the market lessons the hard way during the previous downturns. On 2/8/2010, traders displayed the same psychological behaviour as market traded near the high of 1,368.43 where traders also decided to take a portion of profits on winning trades despite the upside gap created. **In shorts, traders adopted a cautious play tactic and were unwilling to buy up stocks for the sake chasing the game.**

On 29/7/2010, the higher low and lower high market move had helped to **clear away** the uncertainty scenario brought by inside day bar on 28/7/2010, the inside day bar on 28/7/2010 was believed to have resulted from cautious play by traders following the market crossover into 1,350 zone.

Ladies & gentlemen, while the reluctance on the part of market to go below 1,350 level since 26/7/2010 on settlement basis had prompted some risk taking traders to trade in the upward direction of market; but, they were in the market only for short term kills, **NOT** buy & hold.

If you could also recall the market play on 27/7/2010, KLCI traded to a day high of 1,357.23 with bullish traders trying to make a case that the bull would continue, **what happened at the end of that trading day ?** Market ended with a marginal up close, **this indicated the presence of selling pressure in the vicinity of 1,357, and explained the unwillingness on the part of bullish traders to aggressively push the market upward on 28/7/2010.**

And, we had said in our earlier market reports that "With a higher high market scenario on 20/7/2010, **where can we expect to see resistance in this market ? 1,365 level** is envisaged as a hurdle for KLCI in the immediate short term." So, this 1,365 level was taken out during the day on 2/8/2010, **would it mean 1,365 no longer serve a hurdle ? The upside violation of 1,365 level was on intraday basis, and 1,365 level remained a valid hurdle and would continue to act as resistance for a minimum of 3 consecutive days on close basis.**

This market is seen slowly entering a **sideways phase**; however, this does not mean to say that market would not go up anymore from present level, bear in minds there is not such thing as "sure thing" in stock market, and attempt(s) to prop up the market higher nearer to 1,365 level can still be made. **FYI, as day passes by, the resistance point on an upward sloping trendline extended from low of 1,040 (22/6/2009) to connect the other low of 1,224 (9/2/2010) would also be moving higher; thus, range of resistance should now be in between 1,365 and 1,370 level.**

What were the strong hands doing

A check of internal market strength on 3/8/2010 showed that buying strength **weakened** with strong hand(s) seen **disposing a portion of buying positions**, the number of stock positions established on **3/8/2010** was at **17%** of the overall selling pressure that took place between 12/7/2010 and 22/7/2010 compared to **32%** in the preceding trading day (2/8/2010).

Conclusion :

Market outlook remained friendly in the short & medium term with settlement on 3/8/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 3/8/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,359.55.

Today's Hot Pick – MRCB

	3/8/2010	2/8/2010
Open	1.75	1.70
High	1.79	1.75
Low	1.73	1.70
Close	1.77	1.73
Volume	73,034	27,167
Indicators	3/8/2010	2/8/2010
MACD	buy	buy
DM index	buy	sell
Stochastics	sell	sell

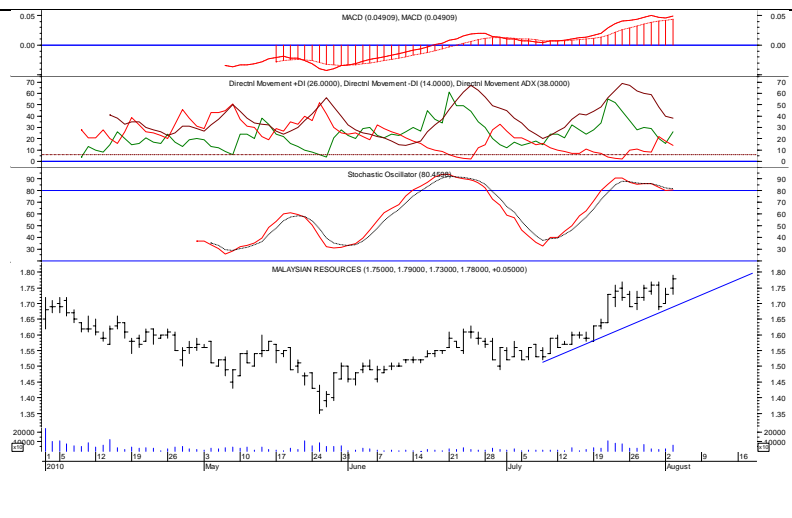


Chart wise : *Gearing up for RM1.85 – RM1.90 with cautious play*

MRCB (1651 - MainBoard) had on 3/8/2010 crossed over the immediate high of **RM1.77** (29/7/2010) to a day **high of RM1.79** before settled at **RM1.77**.

Next Potential Upside Target : With the upside violation of **RM1.77** level, **MRCB** would likely to trade upward with next upside target at **RM1.86 – RM1.90**.

Entry Level : Risk taking traders may establish buying position at **RM1.75** as a small pull back is seen likely before making attempt(s) to go higher.

Stop Loss Level : Once a buying position is being established, a tight stop loss at **RM1.68** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Special Note : KLCI is currently seen undergoing a corrective move. Thus, a conservative trading approach should be employed with an eye to preserve capital.

Current Active Stock Review – Mulpha

	3/8/2010	2/8/2010
Open	0.46	0.445
High	0.46	0.46
Low	0.44	0.445
Close	0.445	0.455
Volume	71,554	111,642
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	sell	sell



Chart wise : *Support seen at RM0.42.....*

Mulpha (3905 - MainBoard) had on 3/8/2010 tested previous day high of **RM0.46** before settled at **RM0.445**.

Price Direction

In view of **a decrease** in market participation, the stock could be expected to trade **sideways with downside bias** in coming day(s) with an overhead resistance pegged at **RM0.485** and support at **RM0.42**.

What to watch for

A turnaround of prices to close **above RM0.485** level would likely see next upside target at **RM0.54**.

Active Stock Review – Unisem Bhd – RM2.21

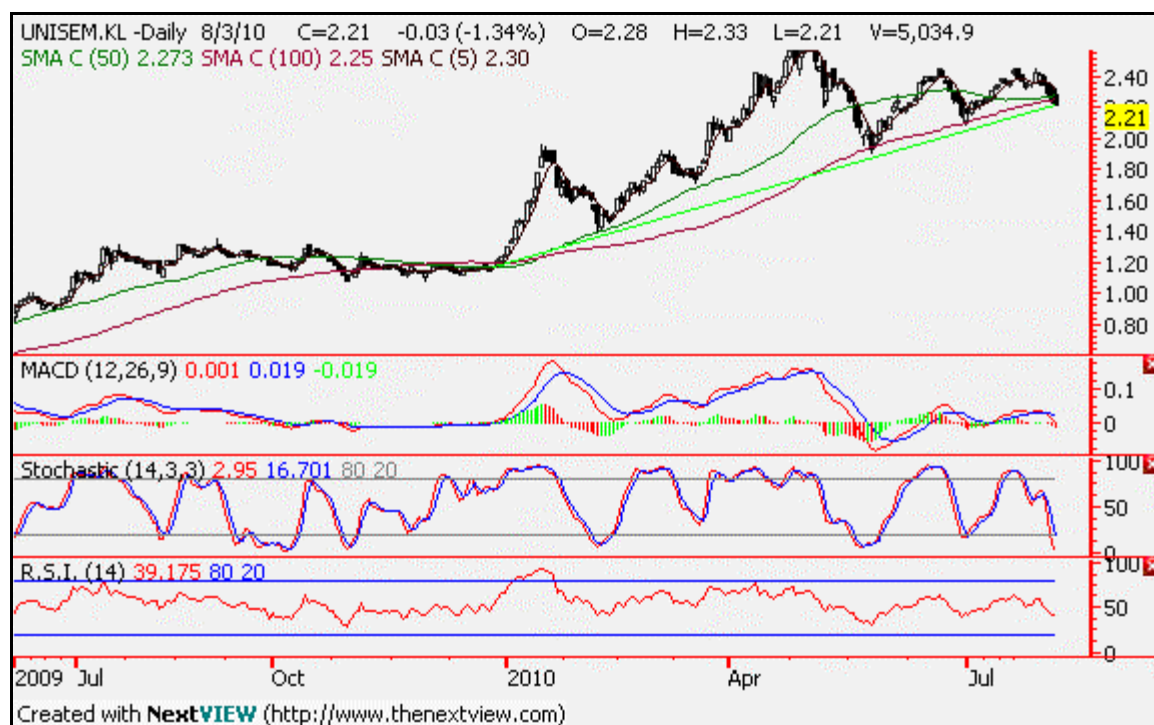


Chart wise

Trading buy.

Unisem Bhd (5005-Main Market- Technology)

Trending along an up-trend line, Unisem underwent a correction recently, but the decline was arrested by the trendline at around the RM2.20 level. It is now poised to resume its up-trend move and the first indication would be for the share price to move above the short-term 5-day moving average at RM2.30.

At this juncture, Unisem is technically a trading buy for potential recovery back to the previous peak of RM2.67. However, we caution that the decline will prevail if the RM2.20 fails to be sustained as this will mean a penetration of the up-trend line.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit closed lower against the US dollar yesterday as investors consolidated gains following a strong ringgit in the past one week where it touched a new high of 3.1580 against the greenback, said a dealer. At 5pm, the ringgit eased to 3.1590/1635 against the greenback compared with a 3.1580/1610 closing yesterday. At the same time, the dollar weakened across the board as safe-haven bids continued to unwind and market participants speculated that the US Federal Reserve, faced with a stalling economy, could resume bond buying and quantitative easing strategies. (BTimes)

CPO futures dropped for the first time in six days yesterday after a rally to the highest price in more than three months prompted speculation that some buyers may be deferring purchases. October-delivery futures fell 0.3 per cent to close at RM2,562 a metric ton on the Malaysia Derivatives Exchange in Kuala Lumpur. Prices had gained 3.9 per cent in the five days to Monday's close, which was the highest since April 9. "There's a bit of profit-taking after the recent rally and some buyers might be put off by the high prices," said CIMB Investment Bank Bhd. "Palm oil has been riding on the strength of external markets, like crude oil and soybeans, and we may witness some volatility in coming days." Palm oil has rebounded from a seven-month low on July 7 on speculation demand may rise in Asian countries and as the La Nina weather event may hurt output in the biggest producers. China, India, Pakistan and Indonesia mark festivals in the quarter ending September 30, typically stoking edible-oils demand. Palm oil has also risen with crude oil, soybeans and equities. Crude oil traded near a three-month high today after breaching US\$81 a barrel for the first time since May as the outlook for the global economy improved. (BTimes)

U.K. store prices of non-food items fell at the fastest monthly pace in 1 1/2 years in July as shops offered bigger discounts, the British Retail Consortium said. The cost of goods such as clothing and furniture dropped 0.6 percent from June, the biggest decline since January 2009, the group, which represents about 80 percent of the nation's retailers, said in an e-mailed statement today in London. The drop offset an increase in food costs, leaving the pace of overall annual price gains at 1.5 percent, unchanged from June. The report highlights a divergence between global cost pressures and the weakness of domestic pricing power at a time when Bank of England policy makers are split on whether the economy faces bigger risks from inflation or budget cuts. Economists predict officials will keep emergency stimulus in place at their monthly policy meeting tomorrow. (Bloomberg)

In the U.S. - consumer spending, pending home sales and factory orders were all weaker than projected in June, showing the **U.S. recovery** lost momentum heading into the second half of the year as employment stagnates. Household purchases, which account for about 70 percent of the economy, were unchanged from May, according to figures from the Commerce Department issued today in Washington. Contracts to buy existing houses unexpectedly dropped for a second month and factory bookings fell more than twice as much as economists estimated, other reports showed. (Bloomberg)

Oil prices rose above \$82 a barrel Tuesday, making for a rare day where energy markets ran opposite to the stock market. The increase came despite disappointing corporate earnings and consumer spending reports that signaled slower economic growth. Benchmark crude for September delivery gained \$1.21, or 1.5 percent, to settle at \$82.55 a barrel on the New York Mercantile Exchange as traders instead took their cue from a weaker dollar. (Star)

Malaysia is expected to register a high single digit growth for the second quarter of this year, Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop said yesterday. He said the indicators like improvements in trade, import and export were strong and showed a positive momentum, and this would lead the country to achieve the target. "The second quarter will be good and the momentum seems to be good. We are expecting a single high digit growth for the second quarter," he told reporters after opening the 21st National Real Estate Convention 2010. Asked whether the Government would revise its 6% growth target for this year, Nor Mohamed said: "If there is a need, we will consider revising the gross domestic product (GDP)." He was confident that the target would be achieved. (Star)

Malaysia's June 2010 **external trade** continued to see strong growth, albeit at a moderating pace, with exports expanding 17.2% year-on-year (y-o-y) to RM52.83bil, while imports soared 30.1% y-o-y to RM46.79bil. Overall, total trade grew 22.9% y-o-y to RM99.62bil, the International Trade and Industry Ministry said yesterday. Malaysia continued to enjoy healthy trade surplus, which totalled RM6.04bil in June. That was the 152th consecutive month of trade surpluses for the country since November 1997. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10636.38	-38.00	-0.36	Nasdaq CI	2283.52	-11.84	-0.52
S&P 500	1120.46	-5.40	-0.48	FTSE 100	5396.48	-0.63	-0.01

Global and Local Headlines

U.S. stocks fell, dragging the Standard & Poor's 500 Index down from a 10-week high, while Treasuries rallied and the dollar declined as weaker-than-estimated data on home sales, factory orders and consumer spending cast doubt on the economic recovery. The S&P 500 lost 0.5 percent to 1,120.46 at the 4 p.m. close in New York and the yield on the two-year Treasury note slipped as much as 4 basis points to 0.5143 percent, a record low. The yen appreciated 0.8 percent to 85.85 per dollar, the strongest since November. The Dollar Index, which gauges the U.S. currency against six major trading partners, dropped to the lowest since April. Copper fell for the first time in a week. (Bloomberg)

Earlier today, **Japanese stocks** fell for the first day this week as weaker-than-estimated data on U.S. home sales, factory orders and consumer spending prompted concern about the strength of a global economic recovery. Mizuho Financial Group Inc., Japan's third-biggest bank by market value, dropped 0.7 percent. Sony Corp., the maker of Bravia televisions that earns more than 70 percent of its sales from outside Japan, lost 0.6 percent after the dollar weakened to an eight-month low against the yen. Mitsubishi Corp., Japan's biggest commodities trader, lost 0.7 after metal prices slumped. (Bloomberg)

Multi-Purpose Holdings Bhd (MPHB) intends to maintain its 51% stake in Magnum Corp Sdn Bhd even if Magnum is relisted. In a filing with Bursa Malaysia yesterday, MPHB said the relisting of Magnum on the main market was one of the exit strategies contemplated by CVC Capital Partners. CVC, which has a 47% interest in Magnum, had its own exit strategies based on timing and expected return, it said. (Star)

Plantations-based **Kretam Holdings Bhd** (KRETAM) has received a notice of takeover offer from AmInvestment Bank Bhd on behalf of Nasalim Sdn Bhd, Santraprise Sdn Bhd and group chief executive officer Lim Nyuk Sang @ Freddy Lim (joint offerors) to acquire all of its shares not already held by them and persons acting in concert for RM1.43 per share. It told Bursa Malaysia that the board had deliberated on the notice and did not intend to seek an alternative person to make a takeover offer for the offer shares. (Star)

Ann Joo Resources Bhd's (ANNJOO) net profit ballooned to RM70.9mil for its second quarter ended June 30 from RM2.2mil in the previous corresponding period due to continuous improvement in productivity coupled with elevated export tonnage. It told Bursa Malaysia yesterday that revenue for the quarter increased 40% to RM595.4mil against RM424.3mil a year ago. It said the higher revenue was mainly attributable to higher selling price and sales tonnage boosted by a recovery in steel consumption in both the international and domestic markets. Earnings per share for the quarter was 14.11 sen versus 0.44 sen a year ago. Ann Joo declared a dividend of 6 sen per share. (Star)

EON Capital Bhd (EONCAP) has received the green light from the Government to enter into an agreement for the proposed RM5.06bil takeover by Hong Leong Bank Bhd (HLBB). In a statement to Bursa Malaysia, it said it received a letter of approval dated Aug 3 from Bank Negara informing it of the approvals granted on July 26 by the Minister of Finance Inc. HLBB in a separate statement to the stock exchange yesterday also said it received the Minister of Finance approval via the central bank for the proposed takeover deal. Among other approvals, HLBB said it also gained the nod from the Minister of Finance to acquire the subsidiaries of EON Cap, including EON Bank Bhd, EONCap Islamic and MIMB Investment Bank Bhd, pursuant to Section 29 of the BAFIA. HLBB is required to finalise the position of MIMB by Dec 31 in line with the central bank's policy which prohibits a domestic banking group from holding two investment bank licences, it added. EON Cap will table the RM5.06bil offer from HLBB to shareholders at an EGM on Aug 19. (Star)

SILK Holdings Bhd (SILKHL) said the group has secured a RM220mil loan from Bank Pembangunan Malaysia Bhd to part finance the construction of two anchor handling tug supply vessels. SILK told Bursa Malaysia yesterday the Islamic Bai' Istisna' facility with Bank Pembangunan Malaysia Bhd was signed by JM Global 3 (Labuan) Plc and JM Global 4 (Labuan) Plc. JM Global 3 and JM Global 4 are jointly owned by Jasa Merin (M) Sdn Bhd (51%), a member of the SILK Holdings Group and GMV-Jasa Sdn Bhd (49%), a unit of Global Maritime Ventures Bhd. Global Maritime Ventures, a venture capital company, is part of the Bank Pembangunan Group. (Star)

Singapore's property tycoon Kwek Leng Beng is in talks to sell a parcel of land in Jalan Bukit Bintang, Kuala Lumpur, which could possibly fetch a record price for a land deal in this country's history. It is understood that the selling price for the land, owned by **Kwek's City Developments Ltd (CDL)**, is being negotiated for more than RM3,000 per sq ft. CDL's land in Jalan Bukit Bintang is about 32,000 sq ft. At RM3,000 per sq ft, the deal could fetch RM96 million. The land sits between the Grand Millennium Kuala Lumpur hotel and the Pavilion Kuala Lumpur shopping centre. CDL, which is part of Singapore's Hong Leong Group, also owns the Grand Millennium hotel. Contenders for the land are believed to be the owner of Pavilion Kuala Lumpur and the YTL group, both of which have sizeable assets along Jalan Bukit Bintang. (BTimes)

Alam Maritim Resources Bhd's (ALAM) unit Alam Maritim (M) Sdn Bhd has mobilised one of its anchor handling tug supply vessels for a long-term charter contract with an established oil major for RM30.32 million. It told Bursa Malaysia yesterday that the contract is for two years with an extension option of one year. (BTimes)