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(A Participating Organisation of Bursa Malaysia)

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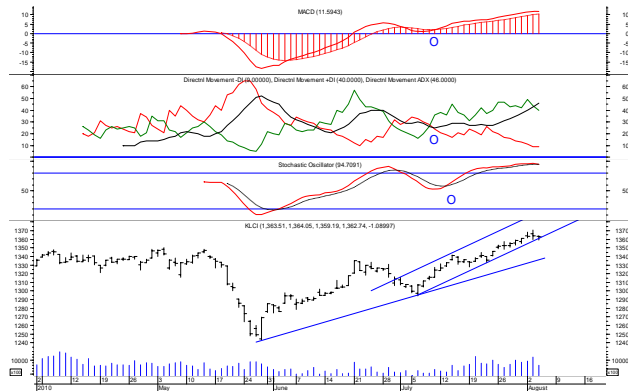
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MARKET FLASH

FBM KLCI

Thurs, 5 Aug 2010



MARKET STATISTICS (4/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,362.74	-1.09
FBM 100	8,971.31	-4.82
FBM ACE	3,822.54	+7.53
Volume (m)	811.4	
Value (RMm)	1,188.1	
Up	322	
Down	363	
Unchanged	286	

FOREIGN

Nikkei	9,489.34	-204.67
Hang Seng	21,549.88	+92.22
STI	3,001.87	-12.90
Shanghai CI	2,638.52	+11.52

BURSA MOVERS

Gainers	Close	Chg
Petdag	10.50	+0.60
Tasek	7.00	+0.40
Biosis-OR	0.38	+0.265
MSC	4.15	+0.23
UKB	1.23	+0.20

Losers	Close	Chg
BAT	43.86	-1.34
Atis	1.18	-0.17
Help	3.70	-0.16
Mudajaya	4.93	-0.15
Yahong	0.86	-0.14

Actives	Close	Chg
Sinotop	0.18	+0.005
Zelan	0.78	+0.175
Timecom	0.65	+0.04
Axiata	4.30	-0.02
Unisem-CA	0.125	-0.025

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,359.19 level.

Market Buying Strength :

About **42%** of total market volume on 4/8/2010 was on buying side compared to **39%** in the preceding trading day.

"Movement" in Strong Hands :

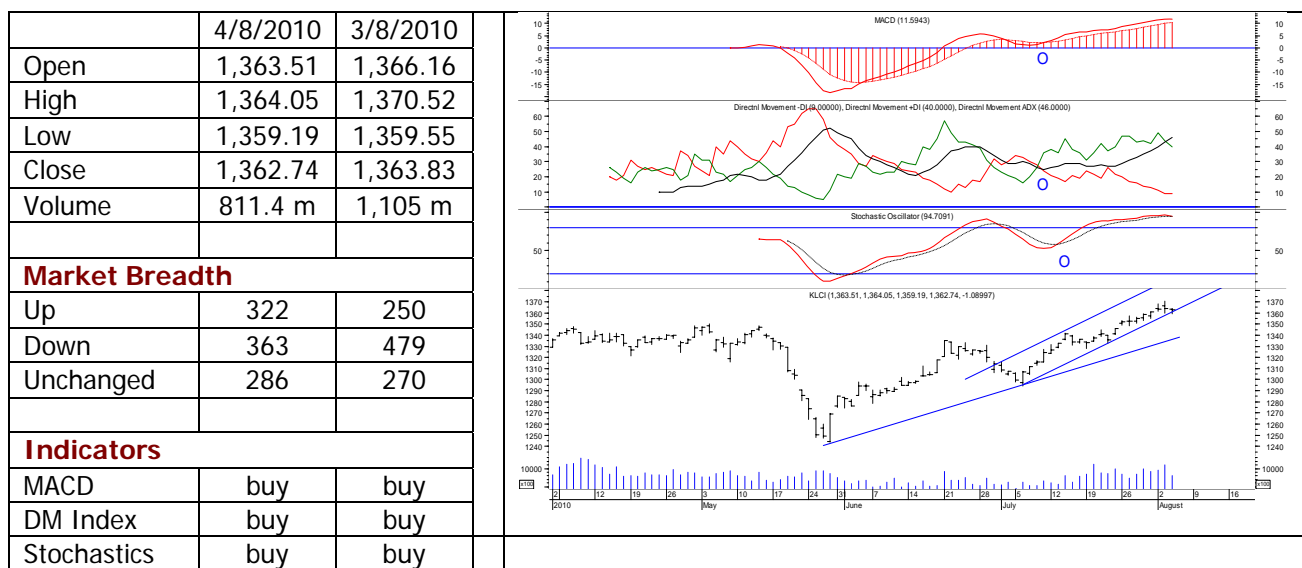
Strong hands were seen **liquidating** a portion of stock positions on 4/8/2010.

Pivot Point Studies for Intra-Day :

For **Thursday (5/8/2010)**, 1st resistance @ 1,364.8 & 2nd resistance @ 1,366.8 ; 1st support @ 1,359.9 & 2nd support @ 1,357.1.

To read more

Technical Analysis – Daily FBM KLCI



Selling pressure remained in sight

Market Commentary :

Dampened by below than expected earnings from Procter & Gamble and Dow Chemical Co., and drop in factory orders in June 2010, DJIA had on 3/8/2010 lost 38.00 points to close at 10,636.38

The double-digit loss in Wall Street was viewed negatively by Bursa Malaysia in the opening bell on 4/8/2010, FBM KLCI only traded to an intra-day high of **1,364.05** as traders decided not to play a buying game in anticipation of lower market. In the absence of good buying support near **1,364.05**, profit taking activity rolled in, and this pushed the stock index down below 1,360 level with a day low of **1,359.19** before settled at **1,362.74**.

The **fall** of **1.09** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB** (down RM0.06), **Genting** (down RM0.04), **Petgas** (down RM0.02), **GenM** (down RM0.01) and **Sime Darby** (down RM0.02).

What was the chart saying

Having traded higher high with intra-day upside breakout of 1,365 hurdle on 2/8/2010 and 3/8/2010 without settlement above 1,365 level in those 2 days, market could not find the same excitement to go higher on 4/8/2010. There was this attempt to cross over 1,365 level on 4/8/2010 following the marginal up close scenario with 1.10 billion shares in the preceding day (3/8/2010); but, somehow that volume was not seen forceful enough to create a more aggressive follow thru buying.

The inability on the part of stock index to go higher than 1,365 level did not pose a surprise as traders had shown the uneasy sign on 2/8/2010 & 3/8/2010 when market approached 1,370 level.

Market traded lower on 4/8/2010 without a cross over of 1,365 hurdle. So, what would likely to happen next ? In the immediate short term, market found its' top between 1,365 and 1,370 level.

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.

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 4/8/2010 showed that buying strength weakened with strong hand(s) seen disposing another portion of buying positions, *the number of stock positions liquidated from 30/7/2010 to 4/8/2010 was about 3% more than what was acquired between 22/7/2010 and 29/7/2010.*

Conclusion :

Market outlook continued to be friendly with settlement on 4/8/2010 above 50-day moving average. And, the key market level to watch would be 1,350.

The analysis of overall daily market action(s) on 4/8/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,359.19.

Today's Hot Pick – MTDACPI

	4/8/2010	3/8/2010
Open	0.50	0.53
High	0.565	0.535
Low	0.49	0.50
Close	0.54	0.50
Volume	96,734	37,657
Indicators	4/8/2010	3/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell

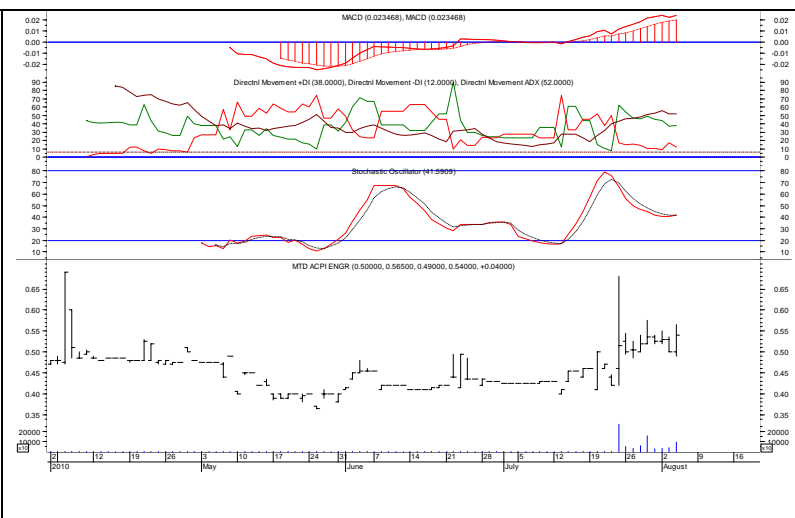


Chart wise : *Buying interest seen in for long term*

MTDACPI (5924 - MainBoard) had on 4/8/2010 rebounded from day low to a day high of RM0.565 before settled at **RM0.54**.

Next Potential Upside Target : With the price rebound, **MTDACPI** looked set to trade upward with next immediate upside target at **RM0.67**.

Entry Level : Risk taking traders may establish buying position at **RM0.53** 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 stop loss at **RM0.48** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Special Note : As of 3/8/2010, KLCI was currently seen undergoing a corrective move. Thus, a conservative trading approach should be employed with an eye to preserve

Current Active Stock Review – **KNM**

	4/8/2010	3/8/2010
Open	0.515	0.535
High	0.52	0.535
Low	0.51	0.515
Close	0.515	0.52
Volume	92,743	282,830
Indicators	4/8/2010	3/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	sell	sell

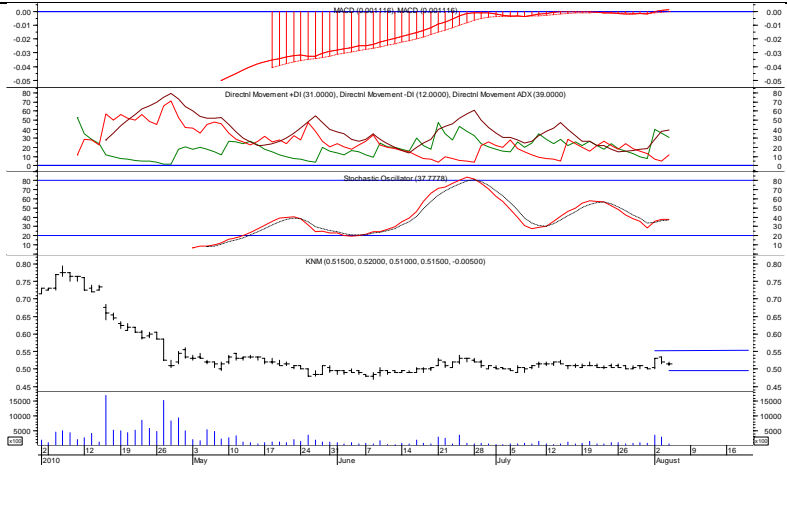


Chart wise :

KNM (7164 - MainBoard) had on 4/8/2010 traded lower to a day **low of RM0.51** before settled at **RM0.515**.

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 **RM0.55** and support at **RM0.50**.

What to watch for

A turnaround of prices to close **below RM0.50** level would see an immediate short term reversing direction in the stock.

Special Note : As of 3/8/2010, KLCI was seen undergoing a **corrective move**. Thus, a **conservative trading approach** should be employed with an eye to preserve capital.

Current Active Stock Review – Daiboci

	4/8/2010	3/8/2010
Open	3.18	3.24
High	3.18	3.24
Low	3.10	3.17
Close	3.14	3.18
Volume	1,648	430
Indicators	4/8/2010	3/8/2010
MACD	sell	sell
DM index	sell	sell
Stochastics	sell	sell

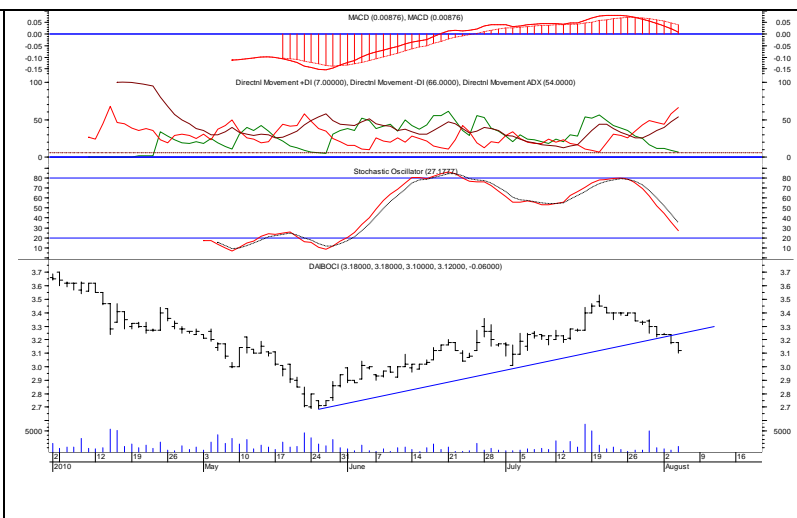


Chart wise : *Under selling pressure with technical reaction expected at RM3.00.....*

Daiboci (8125 - MainBoard) had on 4/8/2010 crossed below the upward sloping trend line extended from low of RM2.69 (25/5/2010) to connect the other low of RM3.01 (2/7/2010) to a day low of RM3.10 before settled at RM3.14.

Price Direction

In view of an increase in market participation, the stock could be expected to trade **sideways with downside bias** in coming day(s) with an overhead resistance pegged at RM3.20 and support at RM3.00.

What to watch for

A close **below RM2.90** level would likely see greater selling pressure in the stock.

Special Note : As of 3/8/2010, KLCI was seen undergoing a **corrective move**. Thus, a **conservative trading approach** should be employed with an eye to preserve capital.

Active Stock Review – **KPJ Healthcare Bhd**

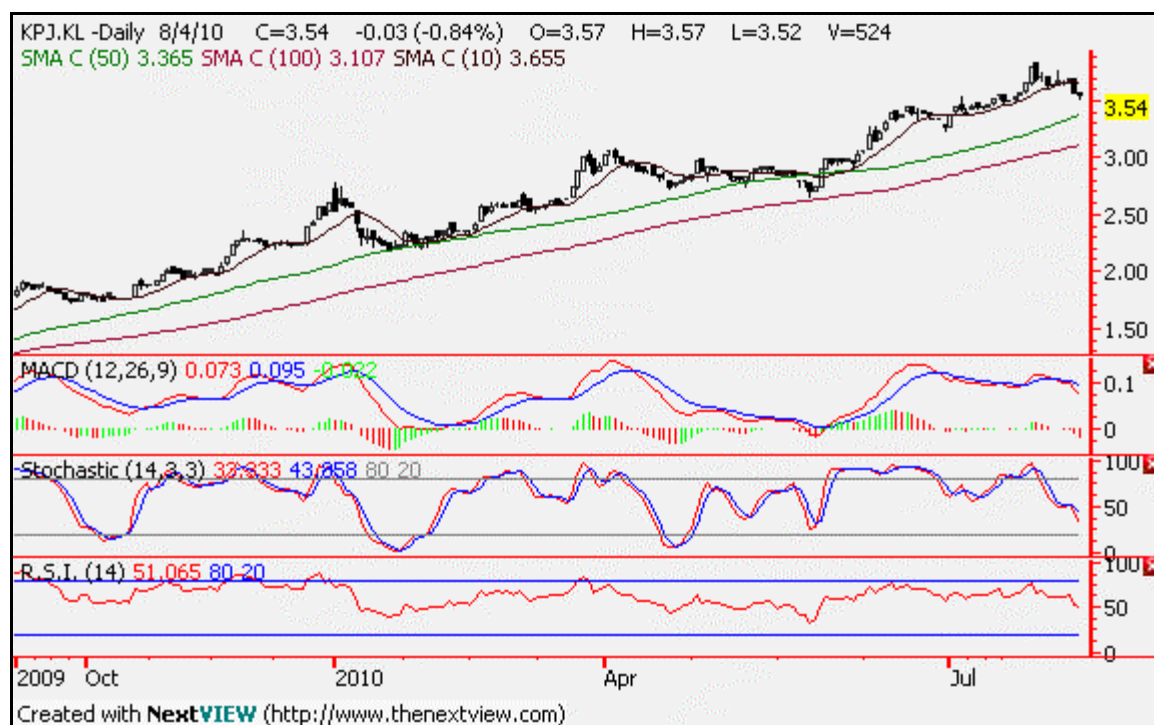


Chart wise

Trading buy on weakness.

KPJ Healthcare Bhd (5878-Main Market- Trading/Services)

The share price has charted a steady and consistent up-trend and is currently in the midst of a pullback in reaction to the overall market correction. As the factor causing the pullback is not company-specific, the current price weakness is a good buying opportunity.

Although the ascent's pace is gradual and slow, KPJ, which had appreciated handsomely, is expected to continue rising on earnings growth. Hence we are calling for a buy on weakness with support at RM3.45.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed higher yesterday with hope of festive demand and concern over the weather boosting sentiment, dealers said. "CPO prices hit a four-and-a-half month high yesterday," said one of the traders. He said that soybean prices surged on concern that dry weather would affect the commodity and this also gave a lift to CPO prices. "With the Ramadan month approaching, harvesting is expected to slow down which may lead to a slight fall in this month's production," the trader said. At close yesterday, CPO futures for August 2010 increased RM34 to RM2,675 per tonne, September 2010 gained RM39 to RM2,632 per tonne, October 2010 added RM28 to RM2,590 per tonne and November 2010 was RM30 higher at RM2,585 per tonne. Volume dropped to 12,945 lots from 17,244 lots Tuesday and open interest declined to 68,584 contracts from 69,376 contracts previously. (BTimes)

The ringgit fell for the first time in three days yesterday after exports in June increased less than forecast and the nation's benchmark stock index retreated from a two-and-a-half-year high. Overseas shipments grew 17.2 per cent from a year earlier, compared with the median estimate for an advance of 17.3 per cent in a Bloomberg survey and a gain of 21.8 per cent in May, the trade ministry said late Tuesday. Asian stocks retreated from near a three-month high after reports Tuesday showed US home sales, factory orders and consumer spending were weaker than economists' forecasts. The ringgit weakened 0.4 per cent to 3.1695 per dollar as of 4.12 pm in Kuala Lumpur yesterday, paring this year's rally to 8.1 per cent, according to data compiled by Bloomberg. (BTimes)

Oil prices fell slightly from a three-month high above US\$82 a barrel Wednesday despite reports that contained some good news on the U.S. jobs front. Benchmark crude for September delivery fell 8 cents to settle at \$82.47 a barrel on the New York Mercantile Exchange. The price has been at levels not seen since May for three consecutive days despite ample supplies of oil in storage and weak demand for gasoline and other refined products. Two jobs reports indicated Wednesday that the U.S. economy is growing but at a slow pace. (Star)

Thailand's economy may expand as much as eight percent this year, more than previously forecast, as exports and spending gather strength, Finance Minister Korn Chatikavanij said. "We are surprised by the rebound in exports and also the level in private investment and consumption as well," he said in a speech in Bangkok last night. "Even with the political crisis, we can expect 7 percent. If things hum along the way they are, perhaps 8 percent will be achievable." The Finance Ministry had on June 29 raised its growth forecast for 2010 to as much as 6 percent. That compares with the Thai central bank's prediction last month for gross domestic product to rise as much as 7.5 percent as exports help companies such as KCE Electronics Pcl, the nation's biggest printed-circuit-board maker. (Bloomberg)

The New Zealand dollar dropped from a one-week high as reports showed the jobless rate increased more than economists forecast, signaling the central bank will slow the pace of interest rate increases. The New Zealand dollar fell against all 16 major counterparts as the government reported the unemployment rate rose to 6.8 percent from 6 percent the prior quarter. Economists in a Bloomberg News survey estimated a 6.2 percent rate. The Australian dollar was close to a three-month high as gains in U.S. stocks and commodities boosted demand for currencies linked to growth. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10680.43	44.05	0.41	Nasdaq CI	2303.57	20.05	0.88
S&P 500	1127.24	6.78	0.61	FTSE 100	5386.16	-10.32	-0.19

Global and Local Headlines

U.S. stocks rose, European equities erased losses while Treasuries and the dollar fell as stronger-than-estimated growth in American service industries and private payrolls quelled concern the economic rebound is slowing. The Standard & Poor's 500 Index climbed 0.6 percent to 1,127.24 at 4 p.m. in New York, its highest closing level since May 17. The Stoxx Europe 600 Index was little changed, gaining less than 0.1 percent after an earlier 1.1 percent slide. The 10-year Treasury yield increased 4 basis points to 2.95 percent after decreasing as much as 3 basis points earlier. Wheat rose to a 22-month high as a drought in Russia left crops damaged. (Bloomberg)

Earlier today, **Japanese stocks** gained the most in a week after faster-than-estimated growth in U.S. service industries and jobs eased concern the global economy is slowing, and after Toyota Motor Corp. boosted its annual profit forecast. Canon Inc., a camera maker that receives more than a quarter of its revenue from the Americas, rose 2.2 percent as the dollar strengthened against the yen. Sony Corp., an electronics maker that gets more than a fifth of its sales from the U.S., climbed 2.3 percent. Toyota, the world's largest carmaker, jumped 3.1 percent. (Bloomberg)

China's banking regulator told lenders last month to conduct a new round of stress tests to gauge the impact of residential property prices falling as much as 60 percent in the hardest-hit markets, a person with knowledge of the matter said. Banks were instructed to include worst-case scenarios of prices dropping 50 percent to 60 percent in cities where they have risen excessively, the person said, declining to be identified because the regulator's requirement hasn't been publicly announced. Previous stress tests carried out in the past year assumed home-price declines of as much as 30 percent. (Bloomberg)

China's insurance regulator is considering opening the market for mandatory liability insurance for automobiles to foreign firms, said three people with knowledge of the matter. The China Insurance Regulatory Commission may allow foreign firms to offer the product, said the people, who declined to be identified because the decision isn't final. Foreign insurers have effectively been shut out of the broader auto insurance market as drivers tend to choose the same insurer for both optional and compulsory coverage. (Bloomberg)

Bank of England Governor Mervyn King is setting aside his inflation target to protect the economy from the biggest budget cuts since World War II. As a split widens on the Monetary Policy Committee on the danger posed by rising prices, King insists it may be a "considerable" time before the benchmark interest rate of 0.5 percent returns to "normal." The nine-member panel will announce its monthly decision, which uses new economic forecasts, at 12 p.m. today in London. King is tolerating faster inflation just as Prime Minister David Cameron's push to ax the Group of 20's largest budget deficit threatens to hurt the economic recovery. Policy maker Andrew Sentance, for now the only advocate of higher rates, counters that growth is solid enough for the bank to withdraw emergency stimulus. Inflation has exceeded the bank's 2 percent target since December. (Bloomberg)

European Central Bank President Jean-Claude Trichet may be starting his second run at an exit strategy. As the euro-area economy gathers strength and the region's bond markets show signs of stabilizing, the ECB is running down the emergency bond purchases it introduced in May to fight the sovereign debt crisis. The challenge for Trichet is to signpost how the ECB will scale back the supply of unlimited cash to banks without throttling the recovery or roiling investors. (Bloomberg)

Affin Bank Bhd (AFFIN) is making a foray into the Indonesian market via the proposed acquisition of PT Bank Ina Perdana for RM138mil. To be funded internally, the acquisition is Affin Bank's maiden venture beyond the Malaysian borders. With the acquisition and subsequent subscription of shares, Affin Bank will have a direct majority shareholding of 80% in Bank Ina, which has 22 branches, sub-branches and cash offices in major cities in Indonesia. (Star)

Genting Malaysia Bhd's (GENM) indirect wholly-owned subsidiary Genting New York LLC (Genting NY) is one step closer to clinching the project to develop and operate a video lottery facility at the Aqueduct Racetrack in New York City. In its filing with Bursa Malaysia yesterday, Genting said its unit on Wednesday received the recommendation of the New York State Division of Lottery to implement the "racino" project that would contain about 4,500 electronic slot machines. (Star)

Hwang-DBS (M) Bhd (HDBS) told Bursa Malaysia that the Securities and Exchange Commission of Cambodia (SECC) had vide its letter dated Aug 2 granted an approval-in-principle to HwangDBS Securities (Cambodia) Plc, a wholly-owned unit of HwangDBS Commercial Bank Plc which in turn is wholly-owned by the company, to act as an investment advisory firm. However, the board of HwangDBS Securities (Cambodia) Plc has decided to turn down the approval-in-principle licence due to the limited activities permitted. (Star)

Guinness Anchor Bhd's (GAB) net profit jumped 30.2% to RM35.7mil for the fourth quarter ended June 30, from RM27.4mil a year ago, boosted by higher sales during the 2010 FIFA World Cup. Its revenue for the quarter was 11.7% higher at RM308.7mil from RM276.3mil a year ago. It reported earnings per share of 11.81 sen versus 9.07 sen a year ago. The brewery also proposed a final dividend of 35 sen per 50 sen stock unit for the quarter. (Star)

Asia's largest budget airline, **AirAsia Bhd** (AIRASIA), has deferred the delivery of new aircraft for a third time, blaming capacity constraints at the existing low-cost carrier terminal (LCCT-KLIA) in Sepang. It has deferred the delivery of seven A320 ordered from European planemaker Airbus to 2015 instead of next year. AirAsia's deferment now numbers 23 A320. (BTimes)

Axiata Group Bhd (AXIATA), which owns the country's second biggest mobile phone operator, plans to sell RM4.2 billion of Islamic bonds next week to refinance debt, chief financial officer Yusof Anuar Yaacob said yesterday. The sukuk bonds, which will have maturities of five, seven and 10 years, will be "privately placed", Yusof said in a telephone interview from Kuala Lumpur. (BTimes)

Shell Refining Co (Federation of Malaysia) Bhd (SHELL) posted a net loss of RM46.8 million in the second quarter ended June 30 2010, from a net profit of RM221 million a year ago, due to stockholding losses on lower crude and product prices. Revenue, however, rose to RM2.71 billion from RM2.31 billion. Shell also said it is building a new 6,000 tonnes per day diesel processing unit at its Port Dickson refinery. (BTimes)

Ta Ann Holdings Bhd (TAANN) is quitting its plywood business in Yang Zhou, China after about two years, citing weak plywood market there because of the global downturn. Ta Ann said yesterday it had notified the Chinese authorities of its intention to pull out of the country. The company set up Ta Ann Eco-Timber Industries Pty Ltd (TAET) in 2008 to run a mill that processes and supplies eco-container flooring to the local market. (BTimes)

M3nergy Bhd (M3ENERGY) said its shares will be suspended from trading on Bursa Malaysia with effect from 9.00am on August 11 2010, it said yesterday. This follows its announcement on Monday regarding Adamus Avenue Sdn Bhd's conditional takeover offer of M3nergy. (BTimes)

Zelan Bhd's (ZELAN) shares shot up by 29 per cent yesterday after US-based fund Grantham, Mayo, Van Otterloo & Co LLC (GMO) bought a 5 per cent stake in the loss-making builder. Zelan, controlled by MMC Corp Bhd, said in a stock exchange filing yesterday that GMO had bought some 28.3 million of its shares on Monday. (BTimes)