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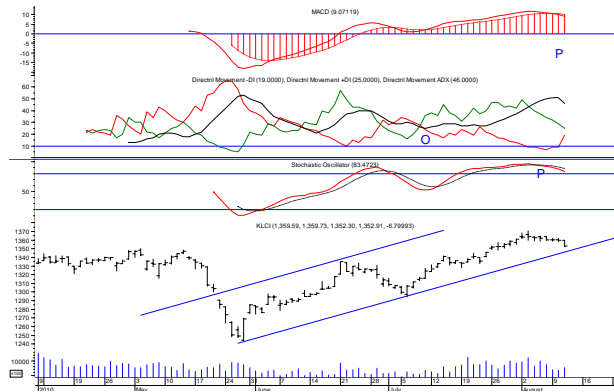
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## MARKET FLASH

### FBM KLCI

Thurs, 12 Aug 2010



### MARKET STATISTICS (11/8/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,352.91	- 6.80
FBM 100	8,908.76	- 49.40
FBM ACE	3,804.84	- 6.03
Volume (m)	769.8	
Value (RMm)	1,169.6	
Up	207	
Down	464	
Unchanged	279	

### FOREIGN

Nikkei	9,292.85	- 258.20
Hang Seng	21,294.54	- 179.06
STI	2,949.26	- 35.03
Shanghai CI	2,607.50	+ 12.22

### BURSA MOVERS

Gainers	Close	Chg
Tstore	2.45	+ 0.45
BHIC	4.59	+ 0.28
Help	4.00	+ 0.25
KLK	16.98	+ 0.14
Seg	2.38	+ 0.11

Losers	Close	Chg
Nestle	39.00	- 0.38
Digi	24.36	- 0.36
F & N	13.90	- 0.34
Mudajaya	4.25	- 0.33
Batu Kawan	11.80	- 0.30

Actives	Close	Chg
MSports	0.54	+ 0.04
Timecom	0.64	- 0.015
XDL	0.46	+ 0.005
SAAG	0.07	=
Sinotop	0.16	=

### Today's Market Direction :

FBM KLCI would likely to trade **below 1,349.5** level.

### Market Buying Strength :

About **17%** of total market volume on 11/8/2010 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 11/8/2010.

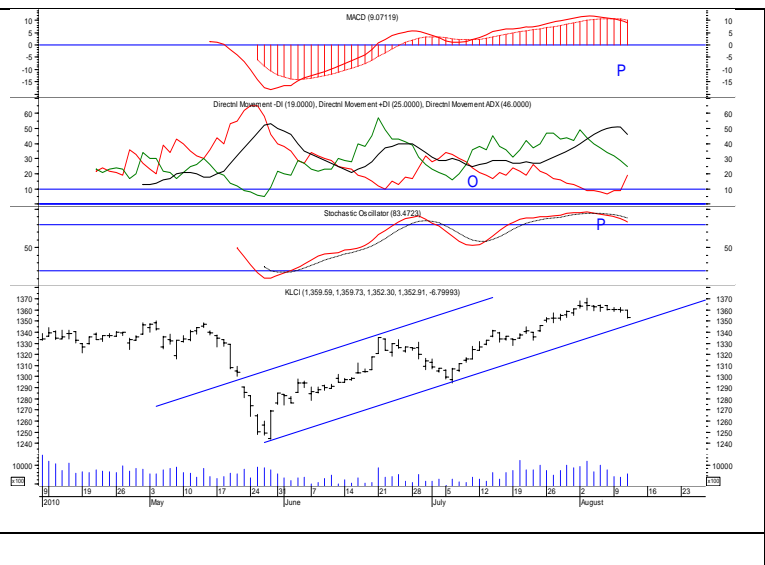
### Pivot Point Studies for Intra-Day :

For **Thursday (12/8/2010)**, 1<sup>st</sup> resistance @ **1,358.9** & 2<sup>nd</sup> resistance @ **1,364.2** ; 1<sup>st</sup> support @ **1,348.3** & 2<sup>nd</sup> support @ **1,343.8**.

To read more .....

## Technical Analysis – Daily FBM KLCI

	11/8/2010	10/8/2010
Open	1,359.59	1,360.65
High	1,359.73	1,362.24
Low	1,349.50	1,357.95
Close	1,352.91	1,359.71
Volume	769.8 m	675.9 m
<b>Market Breadth</b>		
Up	207	255
Down	464	409
Unchanged	279	281
<b>Indicators</b>		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



**1,350 support level remained in force .....**

### Market Commentary :

Dampened by announcement of Federal Reserve to take small steps to stimulate the economy, DJIA had on 10/8/2010 lost 54.50 points to close at 10,644.25.

The double-digit drop in Wall Street affected the trading sentiment at Bursa Malaysia in the opening bell on 11/8/2010, FBM KLCI only traded to an intra-day high of **1,359.73** as traders were seen unwilling to play a buying game in anticipation of lower market. In the absence of stronger buying support in area of **1,359.73**, renewed selling interest rolled in, and this pushed stock index below 1,350 level to a day low of **1,349.50** before settled at **1,352.91**.

The **drop** of **6.80** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Tenaga Nasional** (down RM0.01), **Sime Darby** (down RM0.01), **HL Bank** (down RM0.11), **Maybank** (down RM0.03) and **GenM** (down RM0.02).

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

Market did not trade above 1,360 level on 11/8/2010, this was **NOT** something unexpected as the market had earlier crossed over 1,365 hurdle on 2/8/2010 and 3/8/2010 without settlements above 1,365 level, and was followed by unsuccessful attempts to go higher than 1,365 level in subsequent days (4/8/2010 – 9/8/2010). This showed that traders had yet found the same trading excitement created on 3/8/2010 and 4/8/2010 to acquire more stock positions in the period between 5/8/2010 and 10/8/2010.

Bears, having struggled to win the battle on 10/8/2010 had managed to win by a bigger margin on 11/8/2010. The lower low on 11/8/2010 suggested that market was looking for a wider stabilization base despite the earlier small base between 1,358.52 and 1,364.82 levels (5/8/2010 – 10/8/2010). The wider base can be viewed negatively, because the breakaway from existing small trading range signified stronger pressure to sell .....

However, on a friendly context, the breakaway can also be interpreted as a way to flush out weak hands.

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### Let's do a recap of recent market happenings.

On 2/8/2010, market traded near the high of 1,368.43; but, traders decided to take a portion of profits on winning trades despite the upside gap created. 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 had obviously learnt the market lessons the hard way during the previous downturns.

In other words, traders adopted a cautious play tactic and were unwilling to buy up stocks for the sake chasing the game.

**Ladies & gentlemen**, we had mentioned 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. 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.

A study of market trading pattern from 3/8/2010 to 10/8/2010 showed that market was seen entering a sideways phase.

**When can this sideways phase be expected to end ?** This is NOT easy to answer as nobody can really predict what the market would do next. However, for those who are looking for hint(s), here is what the market likely to do ..... this market should stabilize its position between 1,350 and 1,365 level in next 3 days before seeing next buying attempt(s).

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

A check of internal market strength on 11/8/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, the net number of stock positions liquidated from 30/7/2010 to 11/8/2010 was thus about 147% more than what was bought between 22/7/2010 and 29/7/2010, this number rose compared to 108% on 10/8/2010..

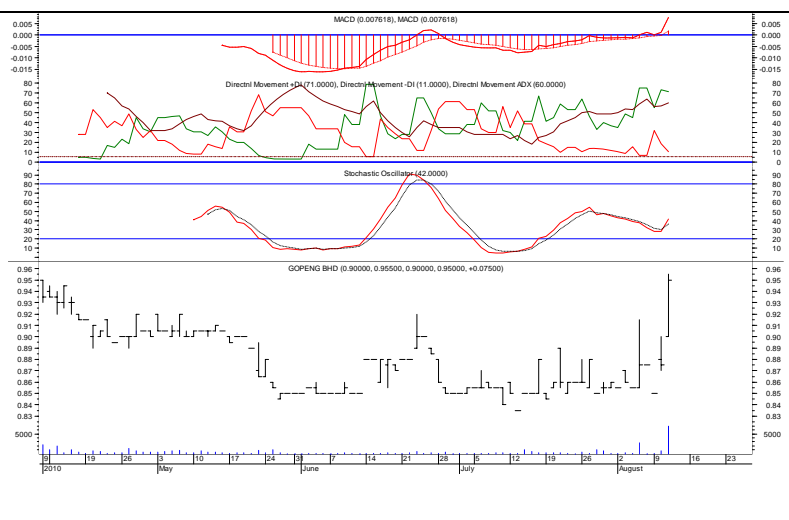
### Conclusion :

Market outlook may have begun to turn negative in the immediate short term on 4/8/2010; but, the key market support level to watch remained at 1,350.

The analysis of overall daily market action(s) on 11/8/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,349.50.

## Today's Hot Pick – **Gopeng**

	11/8/2010	10/8/2010
Open	0.90	0.88
High	0.955	0.90
Low	0.90	0.87
Close	0.95	0.875
Volume	6,876	755
<b>Indicators</b>	11/8/2010	10/8/2010
MACD	Buy	Buy
DM index	Buy	Buy
Stochastics	Buy	Sell



**Chart wise** : *Upward play in sight* .....

**Gopeng** (2135 - MainBoard) had on 11/8/2010 crossed over the immediate high of **RM0.95** (8/4/2010) to reach highest **high of RM0.955** since 8/4/2010 before settled at **RM0.95**.

**Next Potential Upside Target** : With the upside violation of **RM0.95** level, **Gopeng** looked set to trade upward with next upside target at **RM1.05 – RM1.10**.

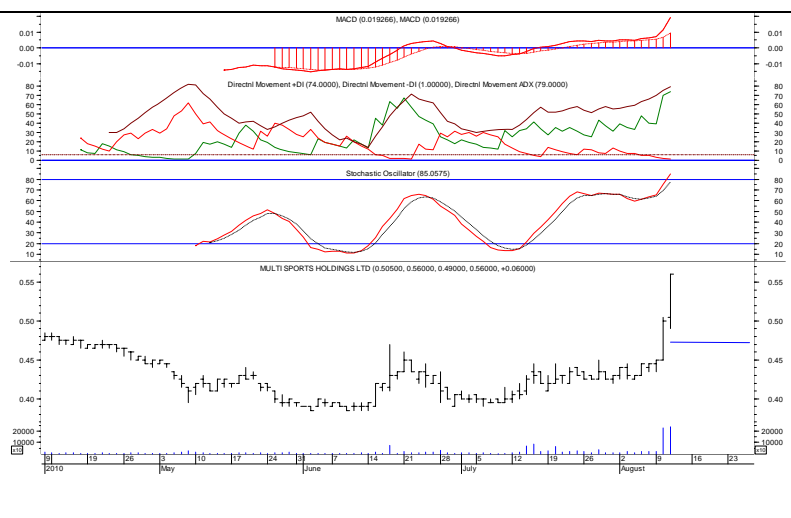
**Entry Level** : Risk taking traders may establish buying position at **RM0.93** as a small pull back is seen likely before making attempt(s) to go higher.

**Stop Loss Level** : Once a buying position is being established, a stop loss at **RM0.85** level must be placed for risk capital protection followed by a trailing stop loss strategy.

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

## Current Active Stock Review – MSports

	11/8/2010	10/8/2010
Open	0.505	0.45
High	0.57	0.505
Low	0.49	0.45
Close	0.54	0.50
Volume	424,549	229,171
<b>Indicators</b>	11/8/2010	10/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : Resistance likely at RM0.58 .....

**MSports (5150** - MainBoard) had on 11/8/2010 crossed over the immediate high of **RM0.515** (1/3/2010) to a day high of **RM0.57** before settled at **RM0.54**.

**Price Direction** .....

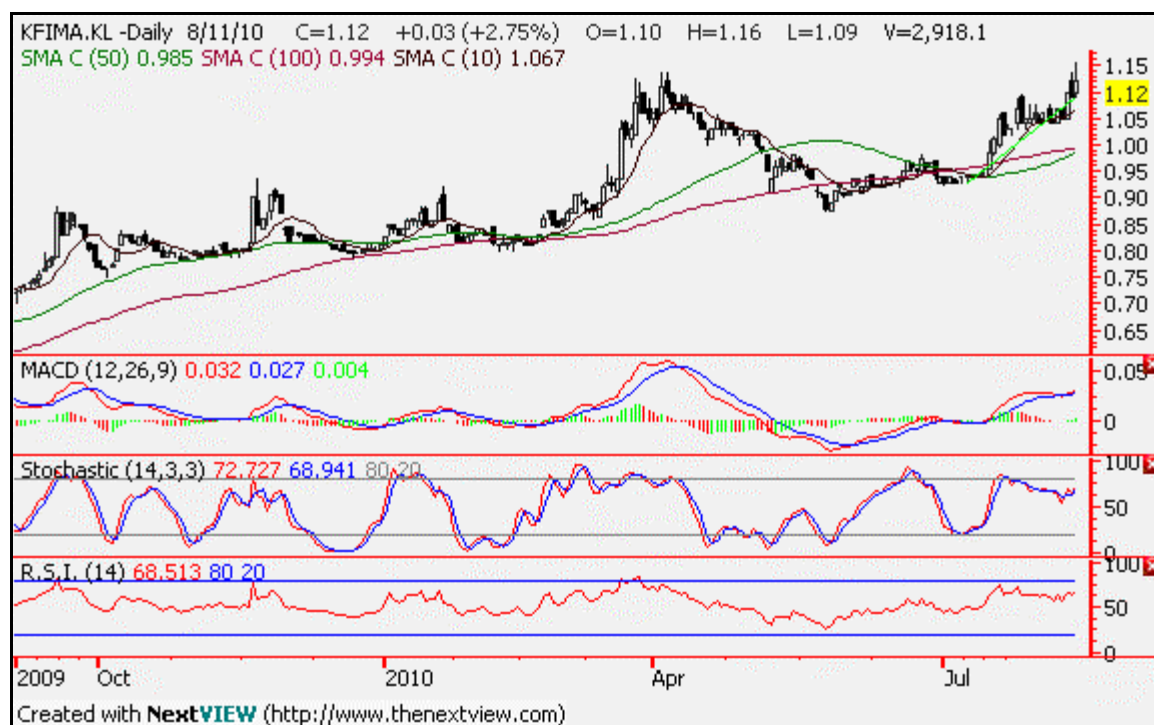
In view of an increase in market participation, the stock could be expected to trade **upward** in coming day(s) with an overhead resistance pegged at **RM0.58** and support at **RM0.49**.

**What to watch for** ....

A to close **above RM0.58** level would see a change in the stock direction in the immediate short term.

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

## Active Stock Review – **Kumpulan FIMA**



### Chart wise

### Trading buy.

**Kumpulan FIMA Bhd** (6491-Main Market- Trading/Services)

Trending along an uptrend line, KFIMA is riding on a bullish momentum accompanied by a rising MACD and RSI that has been staying above the 50-point neutral line. KFIMA, is a company that is involved in the manufacturing, bulking, oil palm & pineapple plantation, canning, property and trading.

Although it is facing some resistance at the upper boundary of the channel, the upside channel is still good, so long the trend-line is maintained. A trading buy.

## MAJOR NEWS

### Commodity, Currency and Economic News

**The ringgit** downtrend extended further to close low at 3.1710/1750 against the US dollar versus Tuesday's close of 3.1495/1525. A dealer said investors continue to dump risk assets after the Federal Reserve said it was seeing significant weakness in the US economy. Most Asian currencies gave up their recent gains yesterday as market players were worried the economic recovery will falter. (BTimes)

**Crude palm oil (CPO) futures** prices on Bursa Malaysia Derivatives rebounded to end higher yesterday, with sentiment spurred by firmer soyabean prices, dealers said. Both August 2010 and September 2010 rose RM26 each to settle at RM2,816 and RM2,731 a tonne, respectively. October 2010 gained RM7 to RM2,677 and November 2010 rose RM4 to RM2,656 a tonne. Overall, volume declined to 12,394 lots compared with 18,007 lots on Tuesday, while open interest declined to 63,685 contracts from 67,292 contracts previously. (BTimes)

The sale of **gold jewellery** products is expected to rise by the end of the month due to the forthcoming Aidilfitri festive holidays and the stabilising price of gold. Penang Goldsmith Association (PGA) chairman Joeson Khor told StarBiz that overseas and domestic sales of gold jewellery had dipped by about 20% in the past two months compared to early this year. "The slower sales is due to the holiday season in the Middle East, when there is usually a slowdown in purchases. "With the Ramadhan holidays coming, we expect sales to the Middle East to pick up again by the end of the month. "Furthermore the current gold price of US\$1,200 per ounce is also expected to boost sales. (Star)

**The yen** rose for a third day against the euro and traded near a 15-year high versus the dollar as concern the global economic recovery is faltering spurred demand for the safest assets. The yen appreciated against all of its 16 major counterparts before a European report today that may show industrial production grew at a slower pace and after U.S. data yesterday showed a widening trade deficit. The Australian and New Zealand dollars fell for a fourth day as commodity prices retreated. (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10378.83	-265.42	-2.49	Nasdaq CI	2208.63	-68.54	-3.01
S&P 500	1089.47	-31.59	-2.82	FTSE 100	5245.21	-131.20	-2.44

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**Global and Local Headlines**

**Stocks** plunged yesterday, sending the MSCI World Index to its biggest drop since June, and Treasuries led a rally in government bonds on concern that the U.S. economic recovery is faltering. The dollar surged the most in 19 months against the euro. The MSCI measure slid 2.8 percent at 4:50 p.m. New York time, the biggest decline since June 29. The Standard & Poor's 500 Index sank 2.8 percent, and the Dow Jones Industrial Average retreated 265.42 points, or 2.5 percent, to 10,378.83. The two-year Treasury yield fell as much as 3 basis points to a record low of 0.4892 percent. Gilts extended gains after the Bank of England cut its forecast for growth. The dollar gained up to 2.4 percent, the most since Jan. 6, 2009, to \$1.2864 per euro. (Bloomberg)

**Asian stocks** fell earlier today, extending a global rout in equities, as concern spread that the U.S. Federal Reserve's plans this week to boost economic growth indicate a recovery is in jeopardy. James Hardie Industries SE, the biggest seller of home siding in the U.S., tumbled 10 percent in Sydney after saying it's likely to miss analysts' profit forecasts. BHP Billiton Ltd., the world's biggest mining company, slid 1 percent after oil and metal prices declined. Canon Inc. and Honda Motor Co., that get more than 80 percent of their sales abroad, sank at least 0.8 percent as the dollar weakening to a 15-year low versus the yen threatened to lower the value of Japan's exports. (Bloomberg)

**Singapore Telecommunications Ltd.**, said first-quarter profit was little changed as slower growth at regional associates including India offset contributions from its local business and Australian unit. Net income was S\$943.2 million (US\$690 million), or 5.91 Singapore cents a share, in the three months ended June 30, compared with S\$945.4 million, or 5.92 cents a share, a year earlier, Southeast Asia's largest phone company said today in a statement. That compares with the S\$974.6 million average estimate of five analysts surveyed by Bloomberg News. (Bloomberg)

**Qantas Airways Ltd.**, Australia's biggest airline, turned to profit in the second half as a recovery in corporate travel demand boosted sales of more profitable seats. Net income totalled A\$54 million (US\$48 million) in the six months ended June compared with a loss of A\$93 million a year earlier. Second-half figures were calculated by subtracting first-half earnings from the A\$112 million full-year profit the Sydney-based carrier reported today. (Bloomberg)

**Telstra Corp.**, Australia's largest telephone company, posted a six percent drop in second-half earnings on declining sales of fixed-line services and charges against its Hong Kong mobile phone unit. Net income fell to A\$2.03 billion (US\$1.82 billion) in the six months ended June from A\$2.16 billion. Second-half figures were calculated by subtracting first-half earnings from the A\$3.9 billion full-year profit the Melbourne-based company reported today. (Bloomberg)

**Chinese policy makers** may have extra room to loosen lending curbs and boost investment in coming months after slower growth in retail sales and industrial output signaled ebbing inflation pressures. July's 3.3 percent gain in consumer prices, announced by the statistics bureau in Beijing yesterday, may be the peak for the year, according to Nomura Holdings Inc. and Mizuho Securities Asia Ltd. Industrial production expanded at the weakest pace in 11 months in July, highlighting the moderation in growth triggered by government curbs including a 7.5 trillion yuan (\$1.1 trillion) lending limit for 2010. Softening export orders show the risk that weakness in overseas demand will drive a deeper slowdown in the world's third-biggest economy. (Bloomberg)

**Macy's Inc.**, the second-biggest U.S. department-store chain, reported second-quarter profit that exceeded analysts' estimates and raised its annual earnings forecast as exclusive brands increased sales. Net income rose to \$147 million, or 35 cents a share, in the three months ended July 31, from \$7 million, or 2 cents, a year earlier, the Cincinnati-based company said today in a statement. Analysts estimated profit of 29 cents, the average of 14 projections compiled by Bloomberg. (Bloomberg)

Housewives will now have to pay almost RM10 for a kilo of **garlic** due to limited supply in view of the floods in China. Some higher grade garlic even cost more than RM10. The price also varies according to location. The wholesale price for garlic, which used to be between RM3 and RM3.50 per kilo, has shot up to RM8.50 per kilo. (Star)

**Malaysian Merchant Marine Bhd** (MMM) has been ordered by the Philippines' Trial Court of Pasig to sell its vessel, MT Ashton, as settlement of debt of US\$900,070 owed by the company to a Philippines creditor. In a filing with Bursa Malaysia yesterday, MMM said the company was also informed that the same creditor had disposed the said vessel on Aug 2 for US\$1mil. (Star)

**Boustead Holdings Bhd** (BSTEAD) has obtained the approval from the Securities Commission's equity compliance unit to acquire the controlling stake in Pharmaniaga Bhd. Boustead had proposed to acquire 86.8% of Pharmaniaga from UEM Group Bhd for RM534mil cash, or RM5.75 per share. Boustead in its filing to Bursa Malaysia yesterday said that under the mandatory takeover offer, Boustead would be obliged to undertake all the remaining 13.19% or 14.1 million shares of RM1 each of the existing issued and paid-up share capital of Pharmaniaga not already held by Boustead. (Star)

Work on the new Istana Negara-Jalan Duta flyover in Kuala Lumpur is in full swing and is due for completion next February in time for the new palace. On June 17, Works Minister Datuk Shaziman Abu Mansor said the new Istana Negara would be built at a cost of RM812mil. He explained that the initial RM400mil that was announced in 2006 was based on an estimate made 15 to 20 years ago. Since then the cost of construction and materials have gone up which contributed to the project's cost escalation. The Works Ministry had in August last year awarded the new flyover project, which was estimated to cost RM106mil, to construction firm **Ahmad Zaki Resources Bhd** (AZRB). (Star)

**Limahsoon Bhd** (LIMAHSN) has been given six months from the Corporate Debt Restructuring Committee (CDRC) to complete its RM81.1mil debt-restructuring scheme. In a filing with Bursa Malaysia yesterday, Limahsoon said it submitted an application to CDRC on July 26 for assistance to mediate between the company and its financial creditors and had accepted its application. (Star)

Bursa Malaysia has reprimanded **Kumpulan Europlus Bhd** (KEURO) for breaching the stock exchange's Listing Requirements (LR). The company was found to have breached Paragraph 10.04(1) when it failed to make a timely announcement on its disposal of three million ordinary shares in Talam Corp Bhd on Feb 10 last year and 166.398 million Talam's ordinary shares between Feb 17, 2009 and June 25, 2009 for net proceeds of RM15.89mil. The percentage ratio of the disposal represented 29.97% of the company's net assets as at Jan 31, 2009. (Star)

**Ho Hup Construction Co Bhd** (HOHUP) has been granted an extension of three months to Nov 4 to submit a revised regularisation plan to Bursa Malaysia. Bursa Securities yesterday said the further extension of time granted to Ho Hup was without prejudice to its right to proceed to suspend the trading of the securities of Ho Hup and to commence de-listing procedures. (Star)

**Baswell Resources Bhd** (BASWELL) has provided additional information on its defaulted loans of two of its subsidiaries amounting to RM340,137. Baswell's wholly-owned furniture-manufacturing subsidiaries Baswood Industries Sdn Bhd and Aimwood Furniture Industries Sdn Bhd have not been able to make the payments to due to lack of funds. " We are in the midst of contracting with certain parties to sell some of its properties, plants and equipment, and to formulate comprehensive restructuring plans," it said in a filing to Bursa Malaysia yesterday. The creditors include Citibank, Malaysian Industrial Development Bhd, Toyota Capital (M) Sdn Bhd and Orix Credit (M) Sdn Bhd. (Star)

**Kumpulan Hartanah Selangor Bhd** (KHSB) is buying two plots of leasehold land of 3.8ha in Petaling Jaya, Selangor, for about RM62 million. KHSB will pay RM45 million through borrowings, while the balance will be met from its own coffers. The deal is subject to the approval of the state authority. KHSB intends to develop serviced apartments, shop-offices and shopping complexes. (BTimes)

**Silver Bird Group Bhd** (SILVER), the country's sole listed bread and confectionery maker, plans to push hard into halal markets worldwide as it seeks to boost its exports. Exports make up about a quarter of its revenue currently, but it aims to increase this to at least a third by 2013, group managing director Datuk Jackson Tan said. "We have a good presence in the Middle East, in countries such as Bahrain, Dubai, the UAE (United Arab Emirates) and Abu Dhabi," he said in a interview with Business Times. (BTimes)

The Naza brothers may exit **Kumpulan Jetson Bhd** (JETSON), barely 12 months after they took control of the company, sources familiar with the initial takeover said yesterday. "They are studying the options of an exit strategy," said a person familiar with the matter, adding that the brothers were not happy with recent developments. SM Nasarudin SM Nasimuddin, the elder of the siblings, told Business Times that he did not wish to make a comment at this point in time. Business Times understands that things had been heading towards a boiling point between Jetson stakeholders over how the planned takeover of the company was handled as well as the resignation of independent director Mohd Najib Abdul Aziz. (BTimes)

**Pharmaniaga Bhd's** (PHARMA) second quarter net profit fell 17 per cent, hurt by higher selling and distribution expenses and personnel costs. Pharmaniaga registered a net profit of RM14.7 million in the financial period ended June 30 2010, compared with RM17.7 million in the same period last year. Cost of sales went up to RM293.9 million compared with RM277.4 million a year ago. (BTimes)

**WCT Bhd** (WCT), a leading construction and property development company, plans to own and manage two hotels within the next four years. It will open its maiden hotel in Klang, Selangor, under the Première brand name on October 10. The hotel is part of the RM145 million BBT-One Tower and the Boulevard project developed by WCT. BBT Hotel Sdn Bhd director Eddie Tan said Première, the newest addition to the WCT portfolio, will be one of the main contributors to its hospitality division. BBT Hotel, known as Smart Seasons Sdn Bhd until September 2006, is a subsidiary of WCT. (BTimes)

**Sino Hua-An International Bhd's** (HUAAN) shares were actively traded yesterday, fuelled by news that the Chinese government will adopt efficient and environment-friendly technology in major energy-consuming industries. The stock was among the most active counters on Bursa Malaysia. It hit a mid-day high of 37.5 sen before ending the day at 36.5 sen, with 118,179 shares traded. Sino Hua-An's highest share price so far was in February, at 50 sen. (BTimes)

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**Advance Information Marketing Bhd** (AIM) said its chief executive officer (CEO) Nyang Koon Seng has resigned. No reason was given for the resignation. Nyang was appointed CEO and executive director on March 8 2004. (BTimes)