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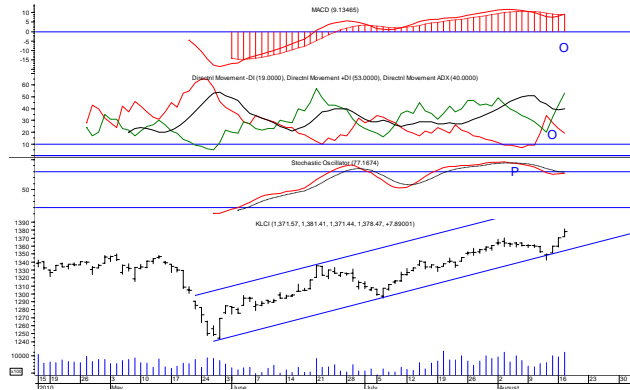
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MARKET FLASH

FBM KLCI

Wed, 18 Aug 2010



MARKET STATISTICS (17/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,378.47	+ 7.89
FBM 100	9,062.64	+ 46.90
FBM ACE	3,895.79	+ 35.69
Volume (m)	1,112.7	
Value (RMm)	1,755.5	
Up	391	
Down	367	
Unchanged	292	

FOREIGN

Nikkei	9,161.68	- 34.99
Hang Seng	21,137.43	+ 25.31
STI	2,923.36	- 10.15
Shanghai CI	2,671.89	+ 10.19

BURSA MOVERS

Gainers	Close	Chg
Nestle	39.50	+ 0.34
KPower	0.945	+ 0.30
Genting	8.93	+ 0.21
Panamy	19.48	+ 0.18
Goldis	1.48	+ 0.18

Losers	Close	Chg
F & N	13.88	- 0.22
AIC-WC	0.31	- 0.19
Supermax	5.72	- 0.16
Tasek	6.60	- 0.15
KFC	10.66	- 0.14

Actives	Close	Chg
GenM	2.99	+ 0.17
TMC Life	0.56	+ 0.035
Tiger	0.14	+ 0.005
GenM-CL	0.10	+ 0.06
MSports	0.57	- 0.025

Today's Market Direction :

FBM KLCI would likely to trade **above** **1,381.41** level.

Market Buying Strength :

About **84%** of total market volume on 17/8/2010 was on buying side compared to **96%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a portion of stock positions on 17/8/2010.

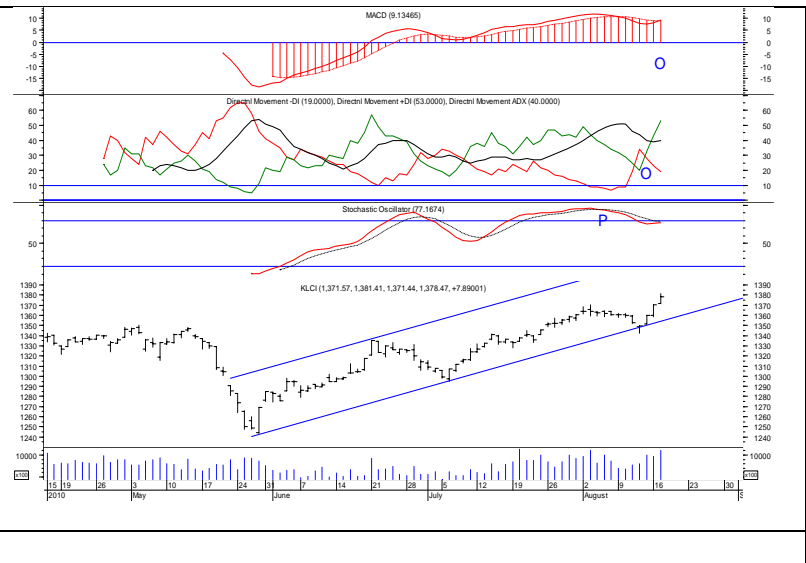
Pivot Point Studies for Intra-Day :

For **Wednesday (18/8/2010)**, 1st resistance @ **1,382.7** & 2nd resistance @ **1,387.0** ; 1st support @ **1,372.8** & 2nd support @ **1,367.1**.

To read more

Technical Analysis – Daily FBM KLCI

	17/8/2010	16/8/2010
Open	1,371.57	1,359.86
High	1,381.41	1,370.58
Low	1,378.47	1,358.95
Close	1,378.0	1,370.58
Volume	1,112.7 m	973.5 m
Market Breadth		
Up	391	405
Down	367	320
Unchanged	292	261
Indicators		
MACD	sell	sell
DM Index	buy	buy
Stochastics	sell	sell



1,380 – 1,420 range to be seen

Market Commentary :

Affected by report on manufacturing in New York State fell short of forecasts and Japan became the latest nation to show signs of slowing growth, DJIA had on 16/8/2010 shed 1.14 points to close at 10,302.01.

The marginal single-digit drop in Wall Street showed no impact on Bursa Malaysia in the opening bell on 17/8/2010, FBM KLCI gapped up with an intra-low of **1,371.44** as traders chose to play a buying game in anticipation of higher market. Under greater buying support, stock index rose above 1,380 zone to reach a day high of **1,381.41**, and kept its position on the high side throughout the trading sessions before settled at **1,378.47**.

The **rise of 7.89** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM (up RM0.04)**, **Sime Darby (up RM0.02)**, **KLK (up RM0.04)**, **Maybank (up RM0.03)** and **Genting (up RM0.21)**.

What was the chart saying

Market gapped up again on 17/8/2010 with a crossover of immediate high of 1,370.58 (16/8/2010) yesterday following the gapped up scenario on 13/8/2010. The higher market into 1,380 zone on 17/8/2010 was within expectation, because the re-entry into 1,370 zone on 16/8/2010 and the good recovery to close comfortably strong after dipping to a day low of 1,342.07 on 12/8/2010 had helped to open up the road to the upside. Furthermore, the market had also been holding well above 1,350 level since 26/7/2010, and **certain base should have been established to cushion a fall below this level.**

That explained what we said in our market report written on 12/8/2010 for 13/8/2010, it remained premature to make a confirmed judgement that we would not

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see this market to trade above 1,350 level again as we need to see at least a settlement below 1,350 level for 3 days in a row.

So, market managed to recover its lost ground above 1,350 level on 13/8/2010, did it mean a return of bullish play ? To do this, let's put a few things together in an attempt to establish what these market rebounds on 12/8/2010 and 13/8/2010 mean for the coming market play(s). Firstly, market could not break its way thru resistance between 1,365 and 1,370 level, and traders were not keen to play an aggressive buying game. We subsequently saw the market trading sideways in the vicinity of 1,360 level before greater wave of selling pressure pulled the stock index farther away to 1,342.07 on 11/8/2010 and 12/8/2010 **the sell-off ? We said in our market report for 12/8/2010 that** the market pull down on 11/8/2010 may have increased the market risk exposure to go downward (FYI: market traded down to a day low of 1,342.07 on 12/8/2010). Bears, having struggled to win the battle on 10/8/2010 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.

The rebound from day low of 1,342.07 to day high of 1,350.22 on 12/8/2010 had put this market back into the upward sloping channel (drawn on chart), this carried certain amount of good "info" inside, and this friendly "info" would likely be the supportive force to keep the stock index to the upside within the channel at this juncture.

The crossover into 1,370 zone on 16/8/2010 would pave the way for stock index to next high of 1,380 – 1,420 level. And, this upside target seen attainable given the return of 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.

What were the strong hands doing

A check of internal market strength on 17/8/2010 showed that buying strength improved with strong hand(s) seen acquiring another portion of buying positions, and the net number of stock positions established from 12/8/2010 to 17/8/2010 was about 151% more than what was liquidated between 29/7/2010 and 11/8/2010.

Conclusion :

Market outlook turned friendly following the crossover of downside penetration of 20-day MA on 17/8/2010 with key market support level to remain at 1,350.

The analysis of overall daily market action(s) on 17/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,381.44.

Today's Hot Pick – Pos M'sia

	17/8/2010	16/8/2010
Open	3.06	3.04
High	3.14	3.06
Low	3.06	3.03
Close	3.11	3.05
Volume	29,517	12,774
Indicators		
MACD	sell	sell
DM index	buy	buy
Stochastics	buy	buy

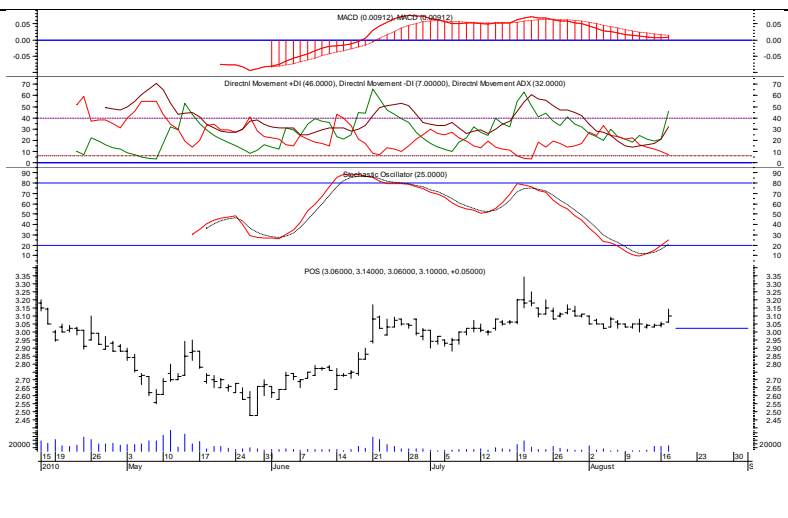


Chart wise : Seen in position to test RM3.30 level

Pos M'sia (4634 - MainBoard) had on 17/8/2010 crossed over the immediate high of RM3.09 (5/8/2010) to an-intraday high of RM3.14 before settled at RM3.11.

Next Potential Upside Target : With the upside violation of RM3.09 level, Pos M'sia looked set to trade upward with next upside target at RM3.30.

Entry Level : Risk taking traders may establish buying position at RM3.09 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 RM3.00 level must be placed for risk capital protection followed by a trailing stop loss strategy.

Note : A conservative trading approach should be employed with an eye to preserve capital.

Current Active Stock Review – GenM

	17/8/2010	16/8/2010
Open	2.83	2.78
High	3.11	2.85
Low	2.83	2.78
Close	2.99	2.82
Volume	491,225	51,307
Indicators	17/8/2010	16/8/2010
MACD	buy	sell
DM index	buy	buy
Stochastics	sell	sell

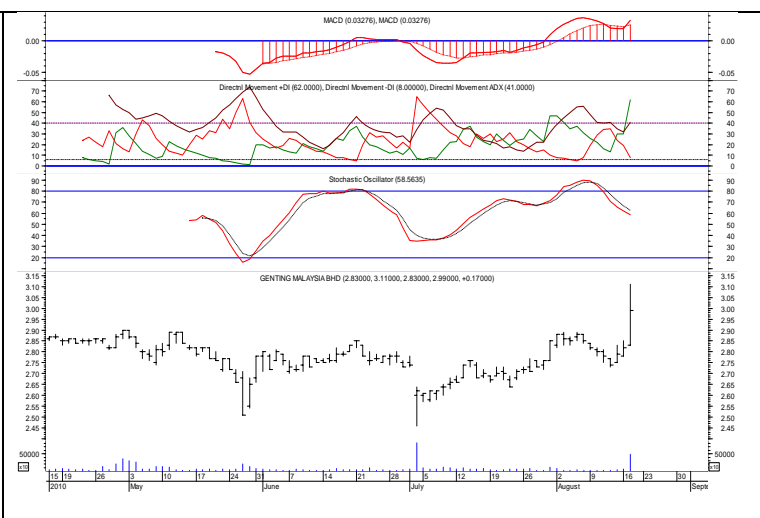


Chart wise : *Immediate upside target should be RM3.25 level.....*

GenM (4715 - MainBoard) had on 17/8/2010 crossed over the immediate high of **RM2.90** (30/4/2010) to reach highest **high of RM3.11** since 9/6/2008 before settled at **RM2.99**.

Price Direction

In view of **an increase** in market participation, the stock could be expected to trade **upward** in coming day(s) with an immediate overhead resistance pegged at **RM3.25** and support at **RM2.80**.

What to watch for

A turnaround of prices to close **below RM2.80** level would see a change in the stock direction for the immediate short term.

Note : A **conservative trading approach** should be employed with an eye to preserve capital.

Active Stock Review – **MPHB**



Chart wise

Trading buy.

MPHB Bhd (3859-Main Market- Trading/Services)

MPHB's candles have been on the rise over the past week and cleared out the short-term downtrend line, potentially signaling more near term upsides. Its recent gains have allowed both its RSI and stochastic to spring up as well, while the lagging MACD's decline has abated and may cross the trigger line on the upside if there is sustained buying momentum.

With its indicators on the climb, the outlook is positive for now and the stock warrants a Trading buy if the candles stay above the RM2.10 level. Failure to stay above the level, however, leaves a neutral outlook. The resistances are at RM2.26, its recent high and RM2.50. The support, meanwhile is at RM2.10.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit ended firmer in tandem with other major regional currencies on the back of a weaker greenback, said a dealer. At 5pm, the ringgit traded at 3.1575/1605 to a US dollar compared with Monday's close of 3.1790/1830. A better-than-expected Malaysian second quarter gross domestic product, to be released today, would provide upward pressure for the ringgit, said RAM Holdings. (BTimes)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives ended higher yesterday as demand for the commodity is expected to rise in coming months, dealers said. At the close, August 2010, which expired on Monday stood at RM2,779 a tonne followed by September 2010, which surged RM63 to RM2,685. October 2010 added RM7 to RM2,646 while November 2010 slipped RM24 to RM2,646. Meanwhile, new contract month December 2010 stood at RM2,636. Total volume was lower at 21,589 lots compared to 24,510 lots previously while open interest eased to 65,056 contracts from 65,512 contracts on Monday. (BTimes)

U.S. production jumped twice as much as forecast in July, signaling manufacturing is shouldering a U.S. economic recovery that is showing signs of moderating in the second half of the year. Output climbed 1 percent as factories churned out more computers, appliances, automobiles and industrial machinery, the Federal Reserve said today in Washington. Another report showed work began last month on fewer houses than forecast. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10405.85	103.84	1.01	Nasdaq CI	2209.54	27.57	1.26
S&P 500	1092.54	13.16	1.22	FTSE 100	5350.55	74.45	1.41

Global and Local Headlines

U.S. stocks advanced, sending the Standard & Poor's 500 Index to its biggest gain in two weeks, as profits beat estimates and a US\$39 billion bid for Potash Corp. of Saskatchewan Inc. sparked a rally in agricultural companies. Oil halted a five-day slump, while Treasuries and the dollar fell. The S&P 500 climbed 1.2 percent to 1,092.6 at 4 p.m. in New York, the most since Aug. 2. The Stoxx Europe 600 Index added 1.1 percent. Oil increased 0.6 percent to \$75.70 a barrel. The 10-year Treasury note's yield gained 7 basis points to 2.63 percent after sliding to a more than 16-month low yesterday. Spanish and Irish bonds rose as borrowing costs fell at government debt sales, signaling concern has eased the nations will struggle to fund budget deficits. (Bloomberg)

Japanese stocks rose for the first time in three days earlier today after a report showed production in the U.S. jumped twice as much as forecast and as commodity prices climbed. Canon Inc. and Honda Motor Co., which get about 80 percent of their revenue outside Japan, rallied more than 1 percent. Mitsubishi Corp., Japan's largest commodities trader, advanced 2.1 percent as crude oil and metal prices increased. Nidec Corp., the world's biggest maker of motors for disk drives, surged 4.5 percent on plans to acquire units from Emerson Electric Co. (Bloomberg)

Wal-Mart Stores Inc., the world's largest retailer, reported a 3.6 percent gain in second-quarter profit as growth abroad helped make up for sales declines in the U.S. The company boosted its profit forecast for the year. Net income advanced to US\$3.6 billion, or 97 cents a share, meeting the average of estimates compiled by Bloomberg. Profit will be as much as \$4.05 a share for the year, compared with an earlier top range of \$4, the Bentonville, Arkansas-based company said in a statement. (Bloomberg)

Li Ka-shing, Hong Kong's richest man, signaled his confidence in the real-estate market by paying more than estimated for two sites, four days after the government tightened loan rules to prevent a possible bubble. Cheung Kong (Holdings) Ltd., controlled by Li, bought a property in the Ho Man Tin district for HK\$4.1 billion (\$530 million) and a plot in Hung Hom for HK\$3.51 billion at a government auction yesterday. Both sites fetched more than the highest forecasts in a Bloomberg survey of analysts. (Bloomberg)

BHP Billiton Ltd. may go directly to shareholders as early as this week with its US\$39 billion unsolicited takeover offer for Potash Corp. of Saskatchewan Inc., said two people with direct knowledge of the matter. BHP, the world's largest mining company, is unlikely to raise the bid before discussions with investors, though a final decision hasn't been made, said the people, who declined to be identified because the plan isn't public. (Bloomberg)

Pharmaniaga Bhd (PHARMA), which is being bought over by Boustead Holdings Bhd, is looking at potential acquisition targets overseas that may offer higher returns. The firm is predicting that the local pharmaceutical industry will grow 8% to 10% a year, but stiff competition, especially in the generic drug market, means margins for manufacturers like Pharmaniaga may remain thin. "We want to grow big in Indonesia," Pharmaniaga managing director Mohamad Abdullah told a briefing yesterday. (Star)

UMW Holdings Bhd (UMW) has secured a US\$183.12mil (RM584mil) contract from HESS (Indonesia-Pangkah) Ltd for the provision of its NAGA 2 rig and drilling services. The company told Bursa Malaysia yesterday that the provision of the NAGA 2 Jack-Up drilling rig and drilling services for the Pangkah WHP-B Development Drilling Programme in the Ujung Pangkah Field was located in the Pangkah PSC-Offshore, East Java. The contract will consist of seven firm wells and 13 option wells. The contract agreement is expected to be signed before the end of August 2010. An announcement will be duly made upon execution of this contract. (Star)

The temporary restraining order (TRO) issued to **MTD Capital Bhd** (MTD) by the Supreme Court of Manila last Friday has compromised the company's operations in the Philippines, a company spokesman said. "The estimated improved earnings of the company for the quarter ending Sept 30 were on the basis that no unfavourable events would take place – the TRO is such an event. "It is still too early to forecast what impact this TRO will have on the company's earnings, but suffice to say we are taking the necessary steps to protect our investments in the South Luzon Expressway (SLEX)," the spokesman told StarBiz. (Star)

AMMB Holdings Bhd's (AMMB) net profit for the first quarter ended June 30, 2010 increased 42.6% to RM368.28mil from RM258.24mil a year earlier while revenue increased to RM1.70bil from RM1.57bil previously. AMMB told Bursa Malaysia yesterday that the improvement in earnings was mainly attributed to an increase in interest income of RM113.3mil, rise in net income from the insurance business by RM28.3mil and a write-back of RM10.2mil on impairment loss from financial investment. This compared to a provision of RM41.6mil made in preceding year's corresponding quarter. (Star)

Malaysia Airports Holdings Bhd (AIRPORT) posted a slightly lower second quarter net profit of RM59.5mil, compared with RM61.6mil in the corresponding period last year, mainly due to the adoption of FRS139 accounting rules, which resulted in higher losses in an associate company. FRS139 is a standard dealing with the accounting of financial instruments and represents a major change from how financial instruments were accounted for in Malaysia before. Revenue was RM435.8mil versus RM392.9mil previously. Chief financial officer Faizal Mansor said besides the FRS 139 adoption, MAHB was impacted by losses incurred by its associate company - Sabiha Gokcen International Airport Ltd (SGIA) in Turkey, in which it has a 20% stake. (Star)

Bursa Malaysia Securities has publicly reprimanded **Hubline Bhd** (HUBLINE) and **M3nergy Bhd** (M3ENERGY) and fined some of their top officials. Bursa Securities said in a statement that Hubline had failed to provide impairment loss on the investment in two associated companies in Thailand, Bangpakong Terminal Public Co Ltd (BTC) and Platinum Container Line Co Ltd (PCL) as stated in the company's announcement dated Jan 23, 2009. On M3nergy, Bursa Securities publicly reprimanded the company, its managing director and chief executive officer Datuk Shahrazi Sha'ari, and non-executive chairman Datuk Zulkifly@Sofi Mustapha. (Star)

EON Capital Bhd (EONCAP) will postpone its extraordinary general meeting (EGM) tomorrow that was meant for shareholders to decide on Hong Leong Bank Bhd's RM5.06 billion takeover offer, sources said. The lender decided to do this after a minority shareholder sought to block the meeting in court. Shu Pei Huang, claimed among other things that the EGM's timing fell short of the required 21-day notice period for shareholders. At the court hearing for the matter yesterday afternoon, EONCap agreed to withdraw all its proposed resolutions and to abandon the meeting. (BTimes)

CB Industrial Product Holding Bhd (CBIP) said it may sell its plantation business in the future although such a plan has yet to happen. "When the said plans can be reasonably converted to executable agreements in the near future, appropriate and timely announcements will be made," CBIP told Bursa Malaysia. (BTimes)

Datuk Dr Colin Lee Soon Soo and his brother are believed to have exited **TMC Life Sciences Bhd** (TMCLIFE), a fertility treatment specialist, in a deal valued at about RM78 million. TMC did not identify the buyer, but speculation ranges from a Singaporean investor to another healthcare company. TMC may reveal the new shareholder today, sources said. (BTimes)