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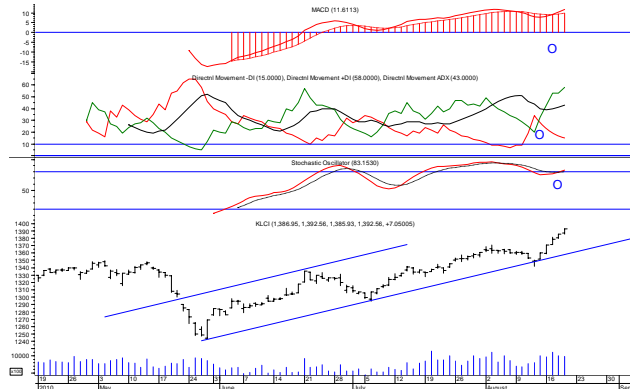
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MARKET FLASH

FBM KLCI

Fri, 20 Aug 2010



MARKET STATISTICS (19/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,392.56	+ 7.05
FBM 100	9,145.86	+ 47.77
FBM ACE	3,849.90	- 11.32

Volume (m)	983.3	
Value (RMm)	1,700.0	
Up	407	
Down	321	
Unchanged	293	

FOREIGN

Nikkei	9,362.68	+ 122.14
Hang Seng	21,072.46	+ 49.73
STI	2,946.77	+ 27.40
Shanghai CI	2,687.98	+ 21.68

BURSA MOVERS

Gainers	Close	Chg
Biport	7.00	+ 0.50
Aeon	5.28	+ 0.26
BKawan	11.82	+ 0.22
F & N	14.22	+ 0.20
PetDag	10.48	+ 0.20

Losers	Close	Chg
Nestle	39.48	- 0.18
DFZ	3.52	- 0.16
SEG	2.58	- 0.15
SEG-WA	1.58	- 0.15
Hexagon	0.605	- 0.145

Actives	Close	Chg
TMC Life	0.52	- 0.03
SigGas	0.925	+ 0.035
Carotec	0.095	=
Keuro	1.10	+ 0.125
Timecom	0.645	+ 0.01

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,392.56 level.

Market Buying Strength :

About **92%** of total market volume on 19/8/2010 was on buying side compared to **95%** in the preceding trading day.

"Movement" in Strong Hands :

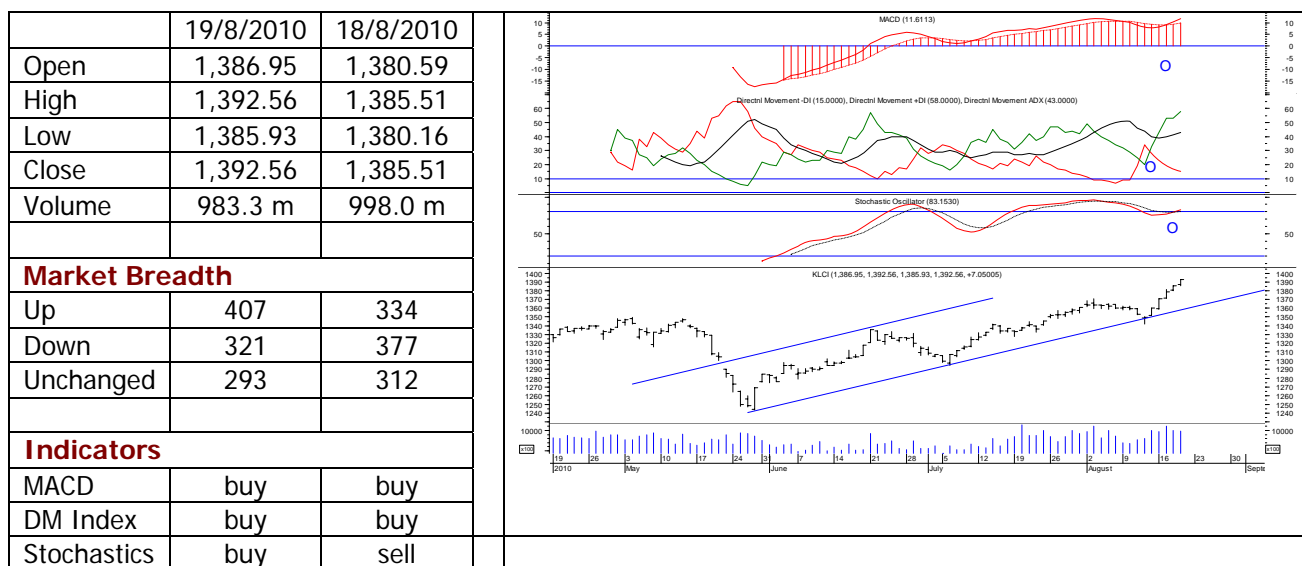
Strong hands were seen **acquiring** a portion of stock positions on 19/8/2010.

Pivot Point Studies for Intra-Day :

For **Friday (20/8/2010)**, 1st resistance @ 1,394.7 & 2nd resistance @ 1,396.9 ; 1st support @ 1,388.1 & 2nd support @ 1,383.7.

To read more

Technical Analysis – Daily FBM KLCI



Marker rose under smaller volume

Market Commentary :

Led by some pluses in retail earnings reports, DJIA had on 18/8/2010 gained 9.69 points to close at 10,415.54.

The single-digit rise in Wall Street helped to send another friendly sentiment to Bursa Malaysia in the opening bell on 19/8/2010, FBM KLCI gapped up with an intra-low of **1,385.93** as traders chose to play a buying game in anticipation of higher market. Under greater buying support, stock index rose into 1,390 zone to reach a day high of **1,392.56**, and kept its position on the high side throughout the trading sessions before settled at **day high**.

The **rise of 7.05** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM** (up RM0.10), **Sime Darby** (up RM0.03), **KLK** (up RM0.06), **HL bank** (up RM0.01) and **GenM** (up RM0.03).

What was the chart saying

Market blasted into 1,390 zone on 19/8/2010 with another upside gap following the gapped up scenario on 17/8/2010. The higher market play yesterday was expected not only due to positive close in previous day; but, mainly because of 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 had been established to cushion a fall below this level until we see bigger selling force to break the wall (1,350 level) down.**

Ladies & gentlemen, 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 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.

The market run-up of **50.49** points from low of 1,342.07 (12/8/2010) to a high of **1,392.56** (19/8/2010) in 6 days had placed the stock index in an overbought zone, this may have created a caution stance among traders in playing aggressively on buying side. Well, given the lower end level of upside target between 1,380 and 1,420 levels has been attained without much stronger follow through buying support on 18/8/2010 & 19/8/2010, traders should begin to look into applying risk management strategy.

What were the strong hands doing

A check of internal market strength on 19/8/2010 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 19/8/2010 was about 227% more than what was liquidated between 29/7/2010 and 11/8/2010 compared to 196% in the preceding day.

Conclusion :

Market outlook remained friendly with key market support level to remain at 1,350; but, 1,380 level should act as immediate support.

The analysis of overall daily market action(s) on 19/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,392.56.

Today's Hot Pick – YLI Hldgs

	19/8/2010	18/8/2010
Open	0.67	0.64
High	0.69	0.67
Low	0.66	0.64
Close	0.675	0.665
Volume	2,899	4,787
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell

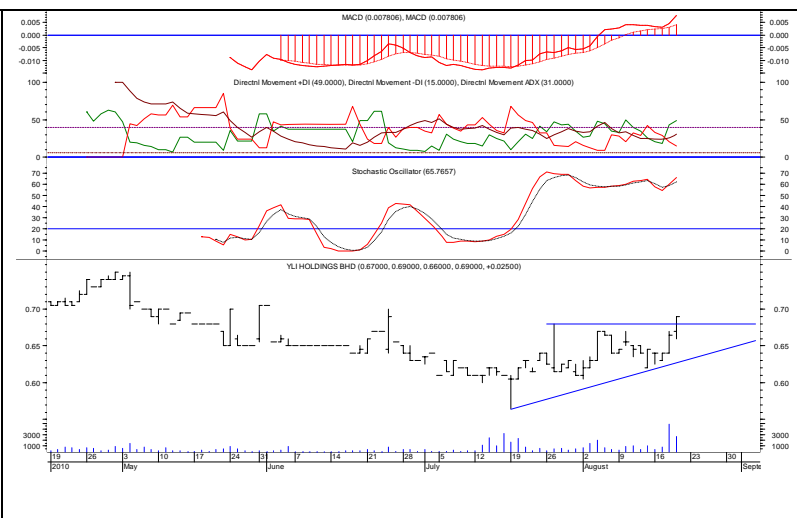


Chart wise : *An upward play in the making*

YLI (7014 - MainBoard) had on 19/8/2010 crossed over the immediate high of **RM0.68** (27/7/2010) to a day **high of RM0.69** before settled at **RM0.675**.

Next Potential Upside Target : With the upside violation of **RM0.67 level**, **YLI Hldgs** looked set to trade upward with next upside target at **RM0.80**.

Entry Level : Risk taking traders may establish buying position at **RM0.665** 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 **RM0.625** 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 – Tenaga Nasional

	19/8/2010	18/8/2010
Open	8.62	8.62
High	8.75	8.63
Low	8.62	8.60
Close	8.72	8.62
Volume	87,562	56,036
Indicators	19/8/2010	18/8/2010
MACD	Sell	Sell
DM index	Buy	Buy
Stochastics	sell	sell

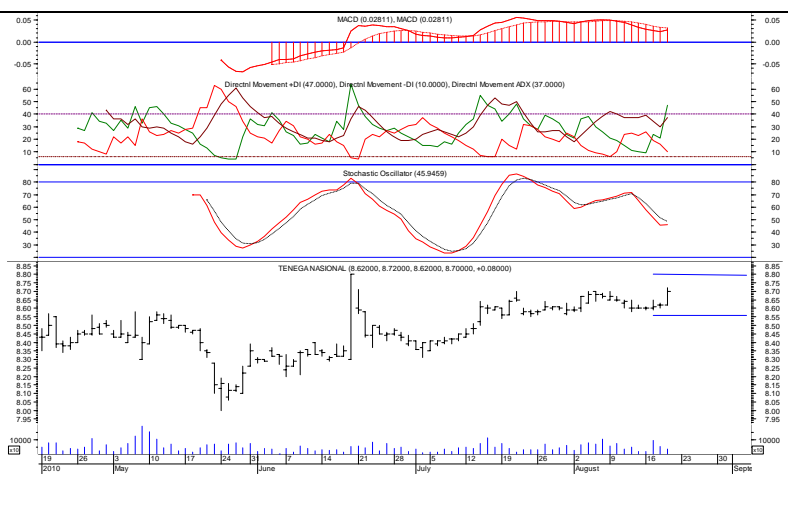


Chart wise : Resistance seen between RM8.85 – RM9.00.....

Tenaga Nasional (5347 - MainBoard) had on 19/8/2010 crossed over the immediate high of RM8.70 (9/8/2010) to a day high of RM8.75 before settled at RM8.72.

Price Direction

In view of an increase in market participation, the stock could be expected to trade **sideways with upside** in coming day(s) with an overhead resistance pegged at RM8.85 – RM9.00 and support at RM7.50.

What to watch for

A turnaround of prices to close **below RM7.50** 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.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil futures prices on Bursa Malaysia Derivatives were mostly lower at the close yesterday as market players continued to take profit on the back of the stronger ringgit, dealers said. The move by Bank Negara Malaysia to liberalise the ringgit further drove it to a 28-month high. At close, the September 2010 contract rose RM7 to RM2,742 a tonne. October dropped RM3 to RM2,647, November fell RM15 to RM2,595 and December declined RM19 to RM2,583. Total volume dropped to 19,817 lots from 28,150 lots on Wednesday, while open interest rose to 68,777 contracts from 65,245 previously. (BTimes)

The ringgit ended higher against the US dollar yesterday on news that Bank Negara Malaysia had eased regulations on ringgit transactions for trade settlement. At 5pm, the ringgit traded at 3.1330/1370 to the US dollar, up from Wednesday's close of 3.1540/1570. The local currency surged to a 28-month high, its strongest level since April 28 2008, a forex dealer said in Kuala Lumpur. At the close, the ringgit was higher against other major currencies. (BTimes)

Oil prices slumped Thursday after new signs of listless economic growth reinforced concerns about whether Americans would spend more on fuel anytime soon. Benchmark oil for October delivery fell 99 cents to settle at \$74.43 per barrel on the New York Mercantile Exchange. Crude prices have retreated about 7.6 percent in the past two weeks amid slowing economic growth. As Americans conserve their cash, supplies of oil and petroleum products have reached levels not seen in at least two decades. (Star)

The yen rose to a seven-week high against the euro on signs the global economic recovery is slowing, supporting demand for Japan's currency as a refuge. The yen is set for a weekly gain versus 15 of its 16 major peers after U.S. reports yesterday showed filings for U.S. unemployment benefits were more than forecast last week and a gauge of manufacturing in the Philadelphia region unexpectedly fell. The euro was near the weakest since July versus the Swiss franc before French President Nicholas Sarkozy meets Finance Minister Christine Lagarde to prepare for next month's budget. (Bloomberg)

Claims for **U.S. jobless benefits** jumped to the highest level since November and Philadelphia-area manufacturing shrank for the first time in a year, indicating the economy may be slowing faster than forecast. The number of unemployment claims unexpectedly shot up by 12,000 to 500,000 in the week ended Aug. 14, Labor Department figures showed today in Washington. The Federal Reserve Bank of Philadelphia's general economic index turned negative in August, signaling contraction. (Bloomberg)

Taiwan's economy expanded more than forecast last quarter, bolstering the case for further interest rate increases after the island's exports weathered global risks. Gross domestic product grew 12.53 percent in the three months through June from a year earlier, after climbing a revised 13.71 percent in the first quarter, the statistics bureau said yesterday in Taipei. The figure beat the 10.15 percent median estimate of 14 economists in a Bloomberg News survey. (Bloomberg)

The Bundesbank raised its growth forecast for Germany this year after the economy expanded at the fastest pace in two decades in the second quarter. Gross domestic product will increase by about 3 percent in 2010, the German central bank said in its monthly bulletin published in Frankfurt today, lifting its forecast from the 1.9 percent it predicted in June. Data last week showed the economy grew 2.2 percent in the three months through June, the fastest since records for a reunified Germany began in 1991. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10271.21	-144.33	-1.39	Nasdaq CI	2178.95	-36.75	-1.66
S&P 500	1075.63	-18.53	-1.69	FTSE 100	5211.29	-91.58	-1.73

Global and Local Headlines

U.S. stocks fell, erasing a three-day gain for the Standard & Poor's 500 Index, after manufacturing in the Philadelphia area unexpectedly shrank and jobless claims rose, spurring concern the economic recovery is in jeopardy. Treasury two-year yields slid to a record low. The S&P 500 slipped 1.7 percent to 1,075.63 at 4 p.m. in New York, its lowest close in a month. The Dow Jones Industrial Average slid 1.4 percent to 10,271.21. Yields on two-year notes dropped as low as 0.4796 percent. Gold futures reached their highest price since July 1 and wheat jumped 3.7 percent. Crude oil declined 1.3 percent to \$74.45 a barrel. (Bloomberg)

Japanese stocks dropped earlier today after U.S. jobless claims unexpectedly increased to the highest level since November and a measure of manufacturing in the Philadelphia area fell. Nissan Motor Co., a Japanese carmaker that counts North America as its biggest market, retreated 2.4 percent. Sharp Corp. lost 2.3 percent after the Nikkei newspaper said Japan's biggest maker of liquid-crystal displays will reduce panel production. JSR Corp., which makes materials for liquid crystal displays, dropped 3.1 percent on UBS AG's rating cut. (Bloomberg)

AirAsia Bhd's (AIRASIA) share price rose to its highest in more than 2½ years to RM1.75, its intraday high yesterday, on strong buying interest buoyed by a strong set of second-quarter results released on Wednesday. Its share price had appreciated 25.36% so far this year, outperforming the stock market's benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index, which gained 9.41% in the same period. (Star)

Property developer **Hua Yang Bhd** (HUAYANG) is to undertake a fundraising exercise next year to raise between RM50mil and RM100mil which will be used for land acquisition. "We are exploring a few options such as a bond or rights issuance," chief operating officer Ho Wen Yan said after its AGM yesterday. (Ho Wen Yan succeeds his uncle Ho Mook Leong as CEO today, according to an announcement to Bursa.) At present, Hua Yang's gearing level was 0.3 times and its financial position remained comfortable. (Star)

Conglomerate **YTL Corp Bhd's** (YTL) last-quarter net profit climbed to RM118mil from RM47mil in the previous corresponding period, as revenue jumped to RM4.6bil against RM3.5bil previously. The sharp profit increase was attributed to the consolidation of a power plant business in Singapore. For the full year, net profit grew 5% to RM873mil while sales surged 85% to RM16.4bil. The company has proposed a first and final dividend of 10 sen less tax to be paid at a later date. YTL group managing director Tan Sri Francis Yeoh Sock Ping said the group's "significant growth in revenue and profit" for the year ended June 30, 2010 (FY10) was largely due to the first full-year contribution of PowerSeraya in Singapore. (Star)

PLUS Expressways Bhd's (PLUS) net profit grew 14% to RM320mil in the quarter ended June 30 as higher traffic on its highways boosted the group's toll collection income and compensation claims. PLUS said traffic volume on its highways grew 10.5% in the second quarter, boosting revenue by 11% to RM860mil. The group has proposed an interim dividend payout of 7.5 sen a share, amounting to RM375mil. (Star)

Ibraco Bhd (IBRACO) has announced a proposed regularisation plan to exit the PN17 status that involves embarking on its biggest ever single mixed property development project here. The project, called Tabuan Tranquility and covering 66ha, has a gross development value of RM512mil. Located along the Kuching-Kota Samarahan Expressway, the project will comprise 640 double-storey terrace houses, 86 double-storey semi-detached houses, 60 townhouses, 76 four-storey shophouses, 72 semi-detached industrial buildings, 47 residential detached lots and one office block. (Star)

Melewar Industrial Group Bhd's (MELEWAR) wholly-owned subsidiaries Melewar Steel Ventures Ltd and M-Power TT Ltd has disposed of 26.587 million shares in Gindalbie Metals Ltd for RM75.21mil. The proceeds will be used to pare down bank borrowings and to provide working capital for the group's operations. (Star)

MISC Bhd (MISC) reported an 83% rise in net profit to RM428mil in the first quarter ended June 30, despite a 16% drop in revenue to RM3.27bil. The shipping giant attributed the jump in profit to the improved performance at its restructured liner business and higher profit from its heavy engineering division. Consensus estimates ahead of the latest quarterly result put the group's full-year earnings at RM1.6bil. (Star)

The Lion group is investing RM5 billion over the next four years to increase capacity at its plant in Banting, Selangor, to make brass and steel products. Group executive director Tan Sri Albert Cheng said it plans to raise funds from bond sales guaranteed by Danajamin Nasional Bhd and Export-Import Bank of Malaysia Bhd. It is also expecting investment under export financing from machine suppliers in China and Germany, Cheng said yesterday in Banting after a visit to the plant by Minister of International Trade and Industry Datuk Seri Mustapa Mohamed. Cheng said **Lion Industries Corp Bhd** (LIONIND), one of the country's largest steelmakers, was also planning to invest some RM500 million to mine iron ore in Terengganu or Pahang as part of its growth plans. It is in talks with federal and state governments for land and hopes to conclude the deal soon to start processing the iron ore to pellets. (BTimes)

Hong Leong Bank Bhd (HLBANK), which turned in a solid financial performance in its final quarter, is looking to make further banking acquisitions in the region, its chief said. The country's sixth largest lender is currently trying to take over smaller local rival EON Capital Bhd in a RM5.06 billion deal. "Indonesia and Thailand have always been within our radar," group managing director Yvonne Chia told reporters yesterday at a briefing on its financial results for the year ended June 30 2010. (BTimes)

The chief of **TMC Life Sciences Bhd** (TMCLIFE) says he sold all his shares in the fertility treatment specialist because the new investor could grow the group further. Managing director Datuk Dr Colin Lee Soon Soo also expects to stay on with the group, and business to be better with its turnaround plan. Dr Lee and his brother sold their entire stakes, or a quarter of TMC, to Singapore billionaire Peter Lim Eng Hock this week. Lim also bought another 4.6 per cent stake, bringing his tally to 29.6 per cent. This makes him the second largest shareholder, after Tan Sri Vincent Tan Chee Yioun, who owns about 31 per cent of the company. (BTimes)