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(A Participating Organisation of Bursa Malaysia)

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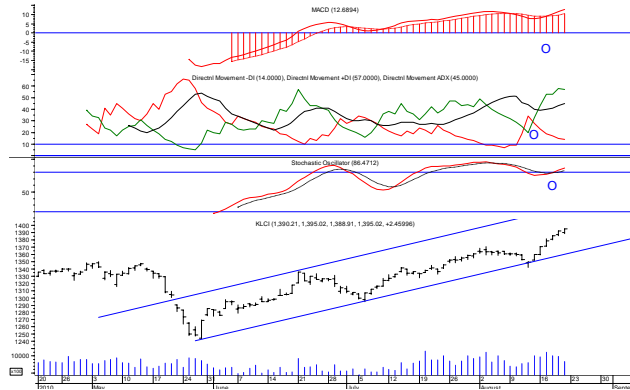
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## MARKET FLASH

### FBM KLCI

Monday, 23 Aug 2010



### MARKET STATISTICS (20/8/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,395.02	+ 2.46
FBM 100	9,158.24	+ 12.38
FBM ACE	3,837.11	-12.79
Volume (m)	834.4	
Value (RMm)	1,341.2	
Up	316	
Down	394	
Unchanged	327	

### FOREIGN

Nikkei	9,179.38	- 183.30
Hang Seng	20,981.82	- 90.64
STI	2,936.48	- 10.29
Shanghai CI	2,642.31	- 45.67

### BURSA MOVERS

Gainers	Close	Chg
F & N	14.54	+ 0.32
Nestle	39.66	+ 0.18
JTinter	6.02	+ 0.16
PCCS	0.745	+ 0.155
Bstead	4.37	+ 0.14

Losers	Close	Chg
Tomypak	3.42	- 0.22
PetDag	10.26	- 0.22
Panamy	19.50	- 0.20
APM	4.67	- 0.18
Genting	8.61	- 0.16

Actives	Close	Chg
AirAsia	1.71	- 0.02
Tatgiap	0.655	- 0.02
Carotec	0.08	- 0.015
BJRetail	0.475	- 0.01
HokHeng	0.555	+ 0.08

### Today's Market Direction :

FBM KLCI would likely to trade **above** 1,395.02 level.

### Market Buying Strength :

About **89%** of total market volume on 20/8/2010 was on buying side compared to **92%** in the preceding trading day.

### "Movement" in Strong Hands :

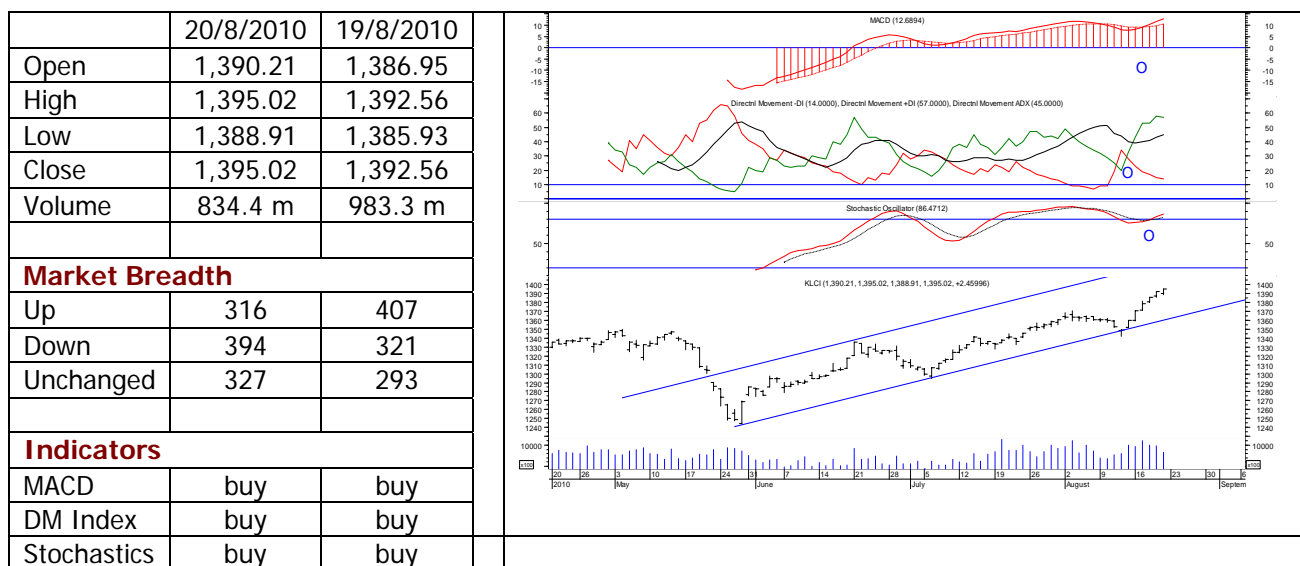
Strong hands were seen **liquidating** a portion of stock positions on 20/8/2010.

### Pivot Point Studies for Intra-Day :

For **Monday (23/8/2010)**, 1<sup>st</sup> resistance @ 1,397.0 & 2<sup>nd</sup> resistance @ 1,399.0 ; 1<sup>st</sup> support @ 1,390.9 & 2<sup>nd</sup> support @ 1,386.8.

To read more .....

## Technical Analysis – Daily FBM KLCI



**Buying strength is diminishing .....**

### Market Commentary :

Dampened by reports from Labor Department on unexpected rising initial claims for unemployment benefits last week and a drop in manufacturing activity in mid-Atlantic region, DJIA had on 19/8/2010 lost 144.33 points to close at 10,271.21.

The triple-digit drop in Wall Street did not send strong negative sentiment to Bursa Malaysia in the opening bell on 20/8/2010, FBM KLCI only traded down to a day low of 1,388.91 as traders were seen unwilling to play a more aggressive selling game. In the absence of stronger selling pressure, risk taking buying interest rolled in to lift the market higher to reach highest high of **1,395.02** since 22/2/2008 before settled at **day high**.

The **rise of 2.46** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up RM0.07 to RM8.79), **Sime Darby** (up RM0.01 to RM7.81), **CIMB** (up RM0.08 to RM7.70), **HL bank** (up RM0.06 to RM8.90) and **GenM** (up RM0.02 to RM3.09).

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

Market went higher on 20/8/2010 following the strong closing in preceding day. The higher market play on 20/8/2010 was not much of a surprise given the near 1 billion shares high market volume on 19/8/2010 and 18/8/2010. Of course, 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 indeed helped to open up the road to the upside. Furthermore, the market had 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.**

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**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 **52.95** points from low of 1,342.07 (12/8/2010) to a high of **1,395.02** (20/8/2010) in 7 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 attained lower end level of upside target between 1,380 and 1,420 levels without much stronger follow through buying support on 18/8/2010 & 19/8/2010, traders should begin to look into applying risk management strategy.

The supportive game play seen on 20/8/2010 in area of 1,390 level was encouraging in keeping the market sentiment "alive", and market should thus likely to stay for a few more days before emergence of stronger selling pressures.

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

A check of internal market strength on 20/8/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, and the net number of stock positions established from 12/8/2010 to 20/8/2010 was about 205% more than what was liquidated between 29/7/2010 and 11/8/2010 compared to 227% in the preceding day.

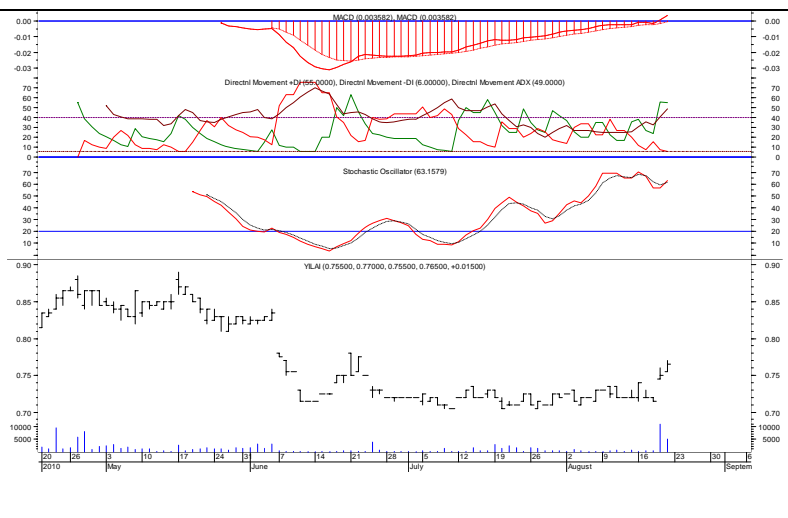
### **Conclusion :**

**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 20/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,395.02.

### Today's Hot Pick – Yilai

	20/8/2010	19/8/2010
Open	0.755	0.745
High	0.77	0.76
Low	0.755	0.745
Close	0.765	0.75
Volume	5,849	10,904
<b>Indicators</b>		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell



**Chart wise** : An upward play in shaping up .....

Having gapped up on 19/8/2010, **Yilai (5048 - MainBoard)** had on 20/8/2010 traded higher to a day **high of RM0.77** before settled at **RM0.765**.

**Next Potential Upside Target** : The upside breakaway from RM0.75 level should see **Yilai** to trade upward with next immediate upside target at **RM0.82 – RM0.89**.

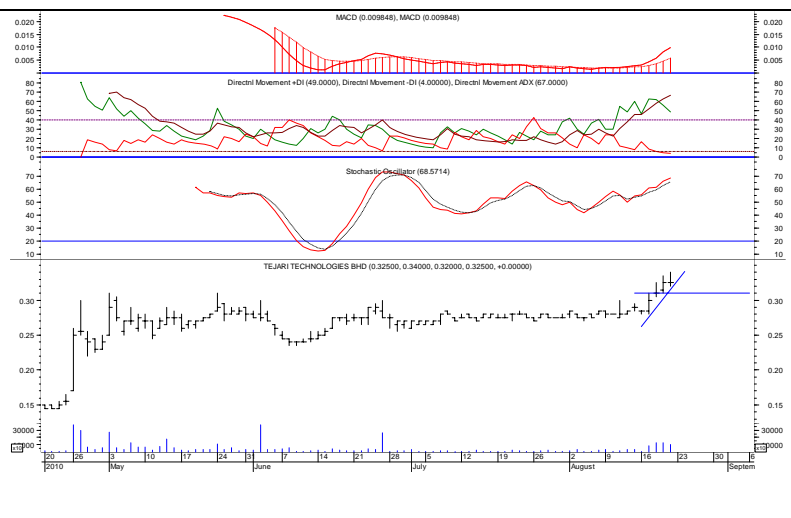
**Entry Level** : Risk taking traders may establish buying position at **RM0.76** as a small pull back is seen likely before making attempt(s) to go higher.

**Stop Loss Level** : Once a buying position is being established, a stop loss at **RM0.73** 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 – Tejari

	20/8/2010	19/8/2010
Open	0.325	0.315
High	0.34	0.335
Low	0.31	0.31
Close	0.31	0.325
Volume	154,669	127,307
<b>Indicators</b>	20/8/2010	19/8/2010
MACD	Buy	Buy
DM index	Buy	Buy
Stochastics	buy	buy



**Chart wise** : Resistance seen at RM0.37.....

**Tejari (0140 - AceMarket)** had on 20/8/2010 traded higher to a day high of RM0.34 before settled at **day low**.

**Price Direction** .....

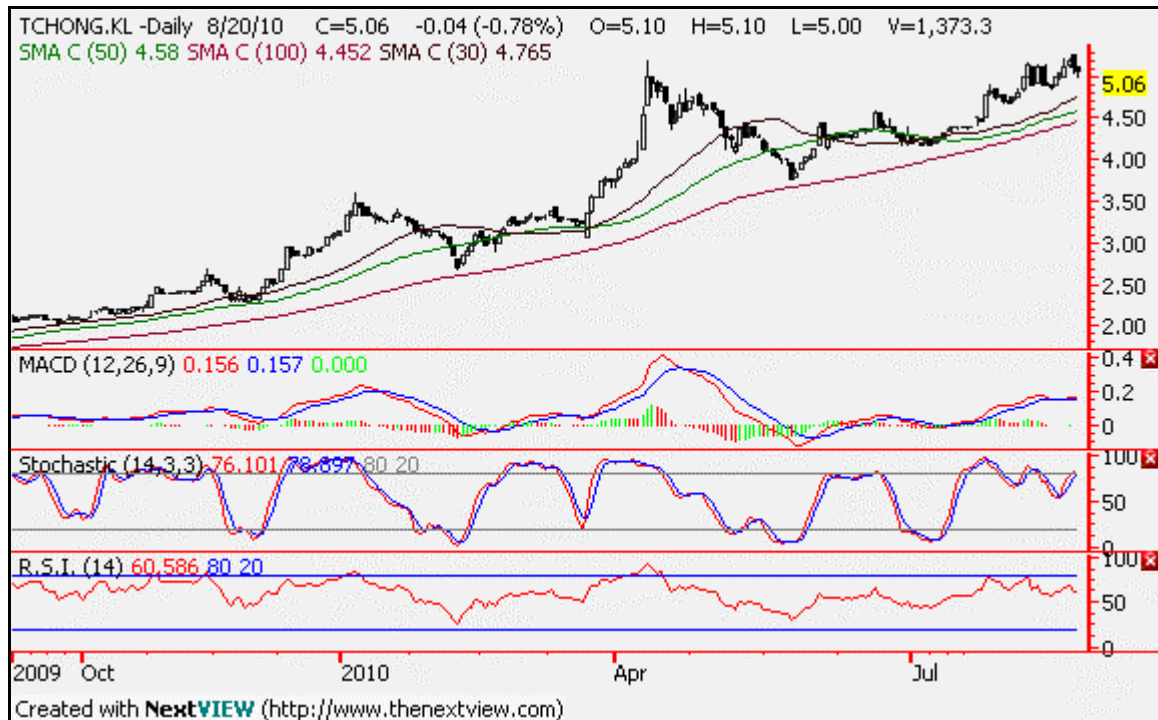
In view of **an increase** in market participation, the stock could be expected to trade **sideways** in coming day(s) with an overhead resistance pegged at **RM0.37** and support at **RM0.29**.

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

A turnaround of prices to close **below RM0.29** 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.

## Stock review – Tan Chong Motor Bhd



### Chart wise:

#### Reiterate Trading buy.

Tan Chong Motor Holdings Bhd (4405-Main Market- Consumer Products)

In our earlier report dated 9 Aug 2010, we called for a trading buy recommendation on Tan Chong. Since then, the share price had rose to the occasion and in recent days made new highs.

At this juncture, we are inclined to maintain our bullish view as its technical indicators are on the upswing and major support levels not challenged. Hence, as long as the uptrend line is maintained, Tan Chong remains a trading buy.

## Technical Analysis – Weekly FBM KLCI

	20/8.2010	13/8/2010
Open	1,359.86	1,360.56
High	1,395.02	1,362.24
Low	1,358.95	1,342.07
Close	1,395.02	1,360.15
Volume	4.90 bil	3.93 bil
<b>Pivot</b>	1,383.0	1,354.8
1 <sup>st</sup> Resis.	1,407.0	1,367.5
2 <sup>nd</sup> Resis.	1,419.0	1,374.9
1 <sup>st</sup> Supp.	1,370.9	1,346.4
2 <sup>nd</sup> Supp.	1,346.9	1,334.6
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

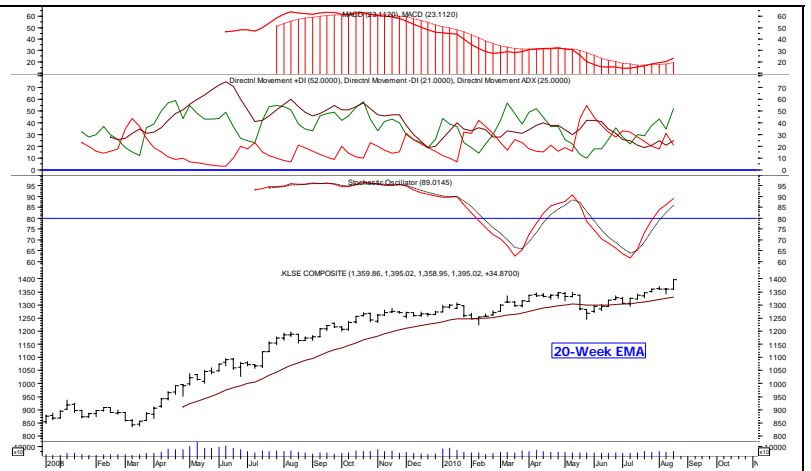


Chart wise : .

..... **98%** of total weekly market trading activity was on buying side .....

### Weekly Market Commentary :

Renewed investors' concern about the pace of US economic recovery after reports of Labor Department showed rising initial claims for unemployment benefits last week, DJIA traded lower to a low of 10,209.50 before settled at **10,271.20** for the week ended 19/8/2010.

The sell-off in Wall Street did not seem to dampen trading sentiment in Bursa Malaysia last week, FBM KLCI broke crossed over 1,390 level to reach highest high of **1,395.02** since 28/2/2008 as traders chose to play on buying side in anticipation of higher market after overcoming 1,370 level. Stock index kept its position well supported throughout the week before settled near week high at **1,395.02**.

Last week, total market turnover was **4.90** billion shares compared to **3.93** billion shares in the preceding week; thus, the **bigger market volume** in an up close scenario suggested **stronger buying pressure**.

**With a week high (1,395.02) higher than previous week high (1,362.24) and a low (1,358.95) higher than previous week low (1,342.07), can market continue to go upward ?** The higher high and higher low last week (20/8/2010) suggested market buying strength, and it should thus help the market in making next attempt to go higher. However, market resistance at 1,400 level can be expected in coming week.

On examination of the market behaviour for the week ended 20/8/2010, the weekly **up close** of **1,395.02** helped to paint a friendly picture onto the chart with **support** pegged at **1,350** and **overhead resistance** at **1,400** level.

A mathematical calculation showed that about **98 %** of the total market trading activity for week ended 20/8/2010 was on the **buying side** compared to **48 %** in the previous week.

**Conclusion :**

The market action(s) for week ended 20/8/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus likely to trade **above 1,395.02**.

## MAJOR NEWS

### Commodity, Currency and Economic News

**Crude palm oil futures** on Bursa Malaysia Derivatives is likely to be lower this week due to rising concerns that the stronger ringgit may make local exports less competitive, dealers said. Demand for CPO is also expected to subside as many countries, especially in the Middle East, have stocked up their needs for the upcoming Hari Raya Aidilfitri, said Interband Group of Companies senior palm oil trader Jim Teh. The ringgit appreciated further after Bank Negara announced midweek moves to further liberalise the local currency which will see the ringgit being used in trade settlements. This subsequently pushed the local unit to a 28-month high on Thursday after recording the highest level since April 28, 2008. It was traded at 3.1280 to the US dollar at the opening. As for demand for CPO, Teh said demand would likely be lower in the coming weeks especially with commodity prices currently at higher levels. However, if India - the second largest consumer of vegetable oils, continues to increase their exports in the coming months, it will likely be a boost to the local market, he said. Teh said the price is expected to move between RM2,500 per tonne and RM2,550 per tonne. On a Friday-to-Friday basis, September 2010 contract dropped RM74 to RM2,706 per tonne, October 2010 lost RM82 to RM2,608 per tonne and November 2010 was RM174 lower to RM2,544 per tonne. Meanwhile, August 2010 contract expired on Monday with RM2,779 a tonne while new contract month, Dec 2010 stood at RM2,531 per tonne. Volume was higher at 113,927 lots compared with 99,077 lots last Friday while open interest stood at 67,893 contracts against 63,861 contracts at the end of last week. (BTimes)

**U.S. home sales** probably plunged in July, and orders for long-lasting goods climbed for the first time in three months as the U.S. strained to sustain the recovery from the worst recession since the 1930s, economists said before reports due this week. Purchases of new and existing houses dropped 12 percent to a 5.01 million annual pace, the lowest since March 2009, according to the median forecast of 54 economists surveyed by Bloomberg News. Durable-goods bookings climbed 3 percent last month, the survey showed. (Bloomberg)

**Australia's dollar** fell and equity futures signaled investors may look to other markets after the nation's federal election failed to deliver a majority government for the first time in 70 years. Neither Australian Prime Minister Julia Gillard nor opposition leader Tony Abbott gained an outright majority in the Aug. 21 vote, meaning one side must win negotiations with independent lawmakers to form a government. The talks, which may last for days as election officials count postal votes, stoke uncertainty about issues including Labor's proposed mining tax, infrastructure investment and carbon trading. (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10213.62	-57.59	-0.56	Nasdaq CI	2179.76	0.81	0.04
S&P 500	1071.69	-3.94	-0.37	FTSE 100	5195.28	-16.01	-0.31

## Global and Local Headlines

**Japanese stocks** dropped earlier today after calls by a European Central Bank official for more economic aid indicated the region's deficit crisis may take longer to solve and as commodity prices declined. Canon Inc., the world's biggest maker of cameras, fell 0.6 percent. Sharp Corp., which counts Europe as its largest market outside of Japan, declined 0.8 percent. Honda Motor Co., which receives 84 percent of its revenue abroad, slid 0.9 percent. Mitsubishi Corp., which gets about 40 percent of sales from commodities, slipped 0.4 percent. (Bloomberg)

**Westpac Banking Corp.** said third-quarter profit rose 27 percent as Australia's second-biggest lender joined Commonwealth Bank of Australia in stemming losses from loans after the financial crisis. Unaudited cash earnings in the three months ended June 30 were about A\$1.4 billion (\$1.2 billion), Sydney-based Westpac said in a statement today. That compares with A\$1.1 billion a year earlier. The impairment charge for soured loans fell to A\$300 million from a quarterly average of A\$800 million in 2009. (Bloomberg)

**Ireland's** National Asset Management Agency, formed by the government to aid the nation's ailing lenders, will apply a discount of more than 60 percent to a second batch of loans it's buying from Anglo Irish Bank Corp., two people with direct knowledge of the plan said. The agency, known as NAMA, will acquire more than 6 billion euros (US\$7.6 billion) of loans from the nationalized Irish lender in the transaction, according to the people, who declined to be identified because the details haven't been disclosed. A spokesman for NAMA said the agency wouldn't comment until a transfer occurred. A spokesman for Dublin-based Anglo Irish didn't return a phone call seeking comment. (Bloomberg)

**HSBC Holdings Plc** is about to enter exclusive talks to buy a controlling stake in Nedbank Group Ltd., The Sunday Times reported, citing market sources. An announcement may come as soon as this week, the London-based newspaper said. HSBC beat Standard Chartered Plc to the deal for the South African bank, it said. (Bloomberg)

**Genting Malaysia** (GENM) had earlier announced that it was proposing to acquire Genting Singapore's UK casino operations for £340mil (about RM1.67bil). Genting Singapore first bought Genting UK in 2006 at £626.91mil (RM3.13bil) The UK casino operations comprise four companies – Nedby Ltd, Palomino Star Ltd, Palomino World Ltd and Genting International Enterprises (Singapore) Pte Ltd – collectively known as Genting UK. There are concerns that Genting Malaysia could be buying Genting UK at a time when the economy is not only weak, but faces a double whammy of the casino industry facing tough legislation. Hence, all eyes will be on Genting Malaysia's EGM tomorrow to approve the acquisition of Genting UK from Genting Singapore Plc Genting Malaysia's second quarter results to June 30, will be also released on Aug 26. Genting Malaysia has been on a roadshow in the last few weeks to meet up with its shareholders and to explain the rationale and potential of buying into the UK casino operations. Last week at Genting Singapore's EGM, the resolution in respect of the sale of UK casino assets to Genting Malaysia passed by shareholders.

Meanwhile last week, **Genting Malaysia Bhd** (GENM) obtained all the necessary approvals and signed the agreement to develop the Aqueduct New York racino. Genting New York is expected to invest US\$1.3bil which consist of US\$380mil (RM1.22bil) of licencing fee, US\$350mil (RM1.12bil) initial capital expenditure (4,500 video lottery terminals), and US\$650mil (RM2.08bil) to build three hotels of differing standards, shopping, recreation, spa and other resort facilities. Dubbed Resorts World New York, the proposed three-storey facility will also contain several restaurants, water features, an outdoor terrace connected to the Aqueduct racetrack which will be able to accommodate up to 10,000 people and a 2,200-bay car park. Genting New York aims to complete the entire development within 12 months from the date it obtains formal approval from the state to proceed. As part of a wider development plan, Genting New York is also proposing to build three hotels of differing standards, shopping, recreation, spa and other resort facilities at a total cost of US\$650mil (RM2.09bil). That will take the proposed outlay for the entire project to over US\$1.3bil. (Star)

**PT Bank CIMB Niaga's** first-half net income rose to 1.14 trillion rupiah (US\$146.6 million) from 698 billion rupiah a year earlier, the Indonesian lender said in a statement published in Bisnis Indonesia today. (BTimes)

**UEM Land Holdings Bhd** (UEMLAND), a global community builder, will be ready to expand overseas after 2012 when it has a certain number of projects to market. "That is one of my key performance indicators (KPI). India looks promising. There is massive need for housing," managing director and chief executive officer Datuk Wan Abdullah Wan Ibrahim said in an interview recently. UEM Land's current projects include development of state administration complexes at Kota Iskandar, Puteri Harbour waterfront, Southern Industrial and Logistics Clusters, Alfiat Healthpark and residences, all in Nusajaya in Johor. The company has 3,400ha of undeveloped land in Nusajaya, targeted to be developed by 2025. Wan Abdullah said UEM Land is looking at various means of expansion and diversification of location to boost earnings. It is in various stages of negotiations to secure land at several identified areas in Kuala Lumpur, Selangor, Penang and Sabah. (BTimes)

**UEM Land Holdings Bhd** (UEMLAND), the master developer for Nusajaya in Johor, is in negotiations with three top international biotechnology-based companies to anchor the Bio-Xcell biotech ecosystem in Nusajaya. "We expect to sign with a US company by year-end. We are targeting foreign biotech firms," managing director and chief executive officer Datuk Wan Abdullah Wan Ibrahim said in an interview with Business Times recently in Kuala Lumpur. "We are progressing well. There has been a lot of interest since the launch of Bio-XCell in Chicago and the CLSA Access Forum in Singapore three months ago," he said. The 28ha Bio-XCell, which will cost RM700 million to set up, is the first biotech park in Malaysia focusing on biotechnology and healthcare. It is a 40:60 joint venture with Malaysian Biotechnology Corp (BiotechCorp) Sdn Bhd, the country's biotech agency. (BTimes)