



Mercury Securities Sdn Bhd (113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office
Wisma UMHO,
Lorong Bagan Luar Dua,
12000 Butterworth,
Seberang Perai.
Tel: 604-3322 123

KL BRANCH
L-7-2, Ilo 2,
Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel: 603-6203 7227

MELAKA BRANCH
81B & 83B,
Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka.
Tel: 606-292 1898

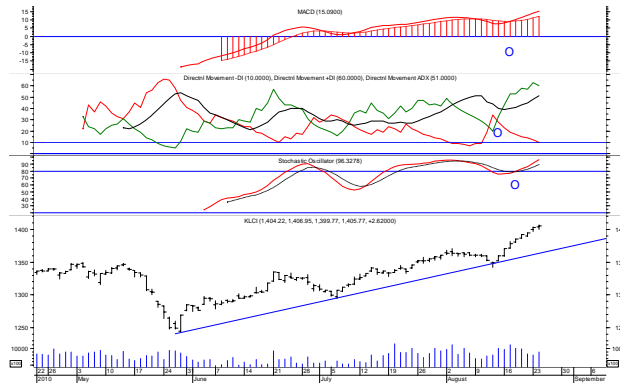
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhrantai,
10300 Penang.
Tel: 604-263 9118

JOHOR BRANCH
Menara Pelangi,
Suite 17.1, Level 17,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru.
Tel: 607-331 6992

MARKET FLASH

FBM KLCI

Wed, 25 Aug 2010



MARKET STATISTICS (24/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,405.77	+ 2.62
FBM 100	9,202.98	+ 3.20
FBM ACE	3,786.84	- 38.56

Volume (m)	894.4	
Value (RMm)	1,651.3	
Up	206	
Down	585	
Unchanged	241	

FOREIGN

Nikkei	8,995.14	- 121.55
Hang Seng	20,658.71	- 230.30
STI	2,922.85	- 3.14
Shanghai CI	2,650.31	+ 10.94

BURSA MOVERS

Gainers	Close	Chg
Layhong	1.72	+ 0.53
Fimacorp	4.83	+0.38
Genting	8.90	+ 0.18
Axiata	4.50	+ 0.12
Tanjong	21.36	+ 0.10

Losers	Close	Chg
PPB	16.96	- 0.40
Supermax	5.25	- 0.27
PetDag	10.22	- 0.26
Biport	6.60	- 0.25
Mudajaya	4.19	- 0.17

Actives	Close	Chg
Talam	0.10	- 0.005
Axiata	4.50	+ 0.12
Tejari	0.275	- 0.03
Sinotop	0.13	- 0.005
Carotec	0.08	- 0.005

Today's Market Direction :

FBM KLCI would likely to trade **below 1,399.77** level after making attempt to go higher than **1,406.95**.

Market Buying Strength :

About **60%** of total market volume on 24/8/2010 was on buying side compared to **72%** in the preceding trading day.

"Movement" in Strong Hands :

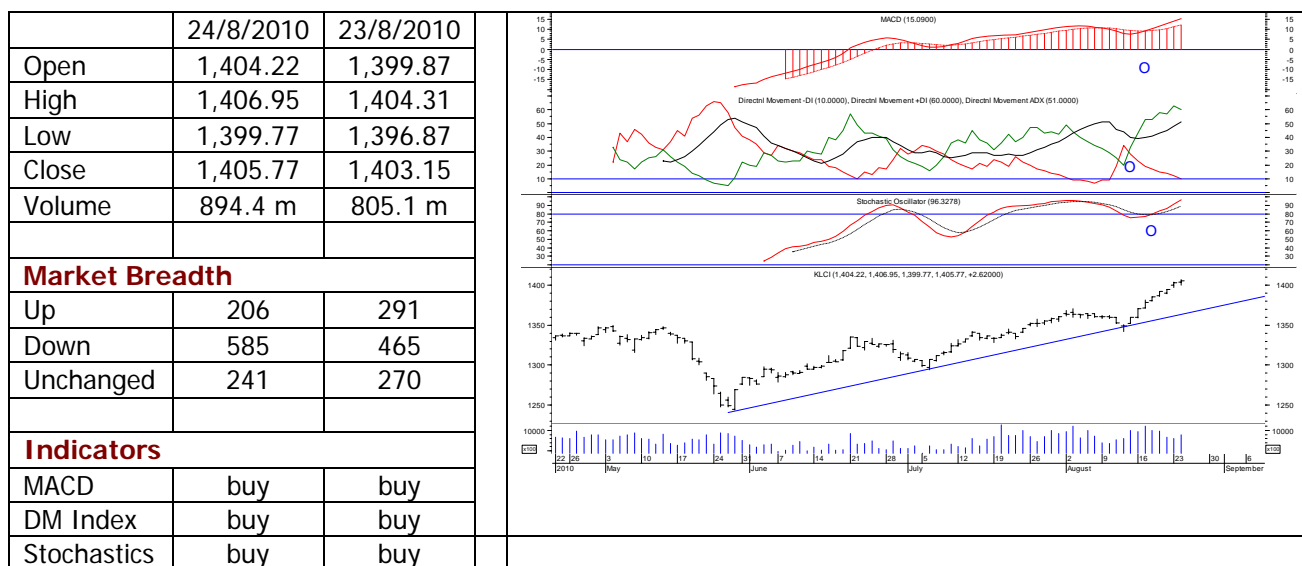
Strong hands were seen **liquidating** a portion of stock positions on 24/8/2010.

Pivot Point Studies for Intra-Day :

For **Wednesday (25/8/2010)**, 1st resistance @ **1,408.5** & 2nd resistance @ **1,411.3** ; 1st support @ **1,401.3** & 2nd support @ **1,396.9**.

To read more

Technical Analysis – Daily FBM KLCI



Pressure to go downward grew

Market Commentary :

Continued worries over a slowing economy despite fresh round of corporate deal making, DJIA had on 23/8/2010 shed 39.21 points to close at 10,174.41.

The double-digit drop in Wall Street did not create any negative sentiment to Bursa Malaysia in the opening bell on 24/8/2010, FBM KLCI traded higher to highest high of **1,406.95** since 22/2/2008 as some traders took the chance to play a buying game in anticipation of higher market after the crossover of 1,400 level on 23/8/2010. However, weak follow thru buying support in area of **1,406.95** prompted profit taking activity to roll in, this put a pressure on stock index to go down to **1,399.77** before recovered to settle at **1,405.77**.

The **rise of 2.62** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IJM** (up RM0.02 to RM5.02), **Sime Darby** (up RM0.04 to RM7.87), **IOI Corp** (up RM0.07 to RM5.25), **Genting** (up RM0.18 to RM8.90) and **Gamuda** (up RM0.02 to RM3.38).

What was the chart saying

Market traded higher on 24/8/2010 following the crossover into 1,400 zone with a positive closing scenario. The higher market play on 24/8/2010 was not much of a surprise given the relative higher daily market volume from 18/8/2010 to 23/8/2010. 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 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.**

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 **64.88** points from low of 1,342.07 (12/8/2010) to a high of **1,406.95** (24/8/2010) in **8** 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 to mid level of upside target between 1,380 and 1,420 levels without much stronger follow through buying volume since 17/8/2010 (market volume had been on a decline), traders should seriously begin to look into tightening 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", this can be seen from yesterday's up move into 1,400 zone. In short, there was this "intention" on the part of certain traders to hold this market up as high as possible, market should thus likely to stay on in next 2 to 3 days before emergence of stronger selling pressures.

Externally, market actions on 23/8/2010 "seen" better with a crossover into 1,400 zone; but, a small change in the way traders looked at the market began to shape up on 24/8/2010 even though there was no sign of market nervous at this moment.

What were the strong hands doing

A check of internal market strength on 24/8/2010 showed that buying strength weakened with strong hand(s) seen disposing another portion of buying positions, and the net number of stock positions established from 12/8/2010 to 24/8/2010 was about 127% more than what was liquidated between 29/7/2010 and 11/8/2010 compared to 169% 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 24/8/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,399.77 after making attempt to go higher than 1,406.95.

Today's Hot Pick – Axiata

	24/8/2010	23/8/2010
Open	4.40	4.38
High	4.50	4.41
Low	4.39	4.35
Close	4.50	4.38
Volume	372,982	140,529
Indicators	24/8/2010	23/8/2010
MACD	sell	sell
DM index	buy	buy
Stochastics	buy	buy

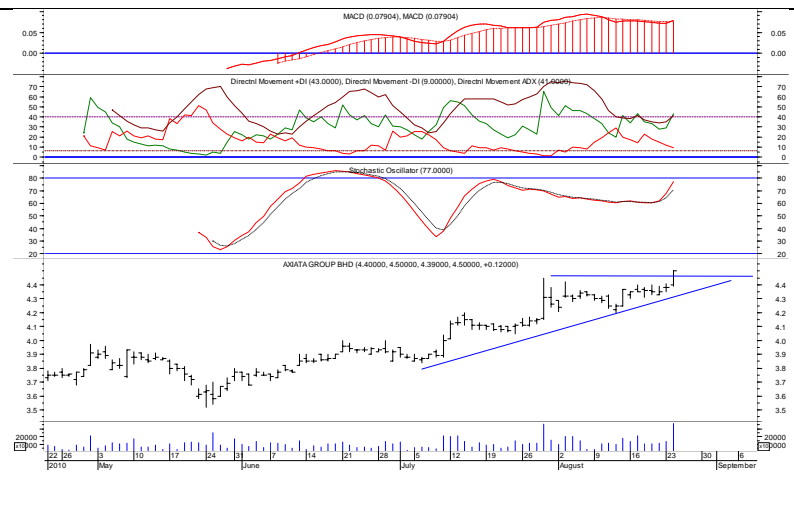


Chart wise : *Upside breakout with volume*

Axiata (6888 - MainBoard) had on 24/8/2010 crossed over the immediate high of **RM4.45** (29/7/2010) to highest **high of RM4.50** since 27/6/2008 before settled at **day high**.

Next Potential Upside Target : With the upside violation of **RM4.45 level**, **Axiata** looked set to trade upward with next upside target at **RM4.76**.

Entry Level : Risk taking traders may establish buying position at **RM4.46** 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 **RM4.30** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Note : The general market is seen under pressure to go downward, a conservative trading approach should be employed with an eye to preserve capital. Small win is better than no win, and it will add up.

Current Active Stock Review – Genting

	24/8/2010	23/8/2010
Open	8.78	8.62
High	8.90	8.73
Low	8.78	8.50
Close	8.90	8.72
Volume	102,830	27,832
Indicators	24/8/2010	23/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

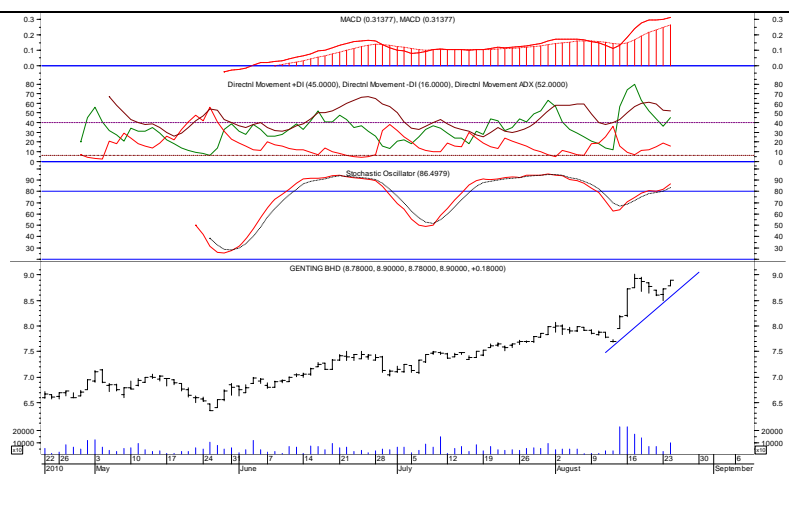


Chart wise : Attempt to break RM9.01 on the upside seen

Genting (3182 - MainBoard) had on 24/8/2010 gapped up to reach a day high of RM8.90 before settled at day high.

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 RM9.01 and support at RM8.50.

What to watch for

A turnaround of prices to close below RM8.50 level would see a change in the stock direction for the immediate short term.

Note : The general market is seen under pressure to go downward, a conservative trading approach should be employed with an eye to preserve capital.

Active Stock Review – Faber Group Bhd

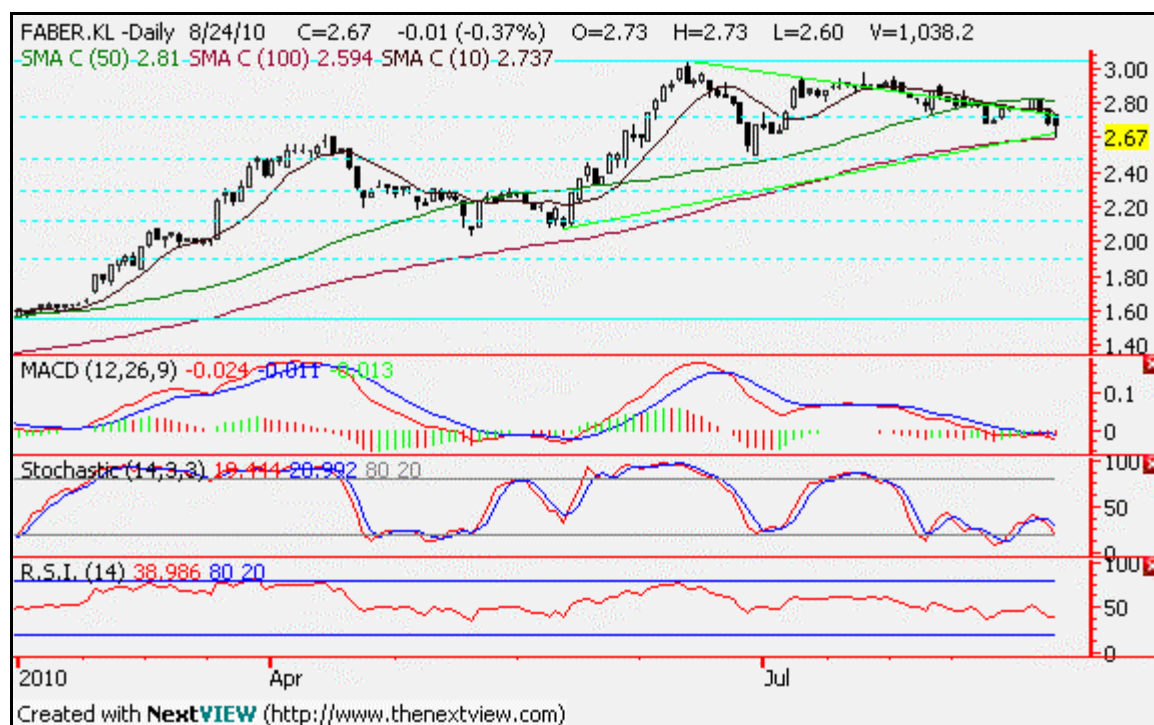


Chart wise

Choppy Trading Pattern.

Faber Group Bhd (1368-Main Market- Trading/Services)

Faber's candles have started weakening in the past week. Chartwise, the candles are on the downtrend after failing to take out the 23 % Fibonacci level of RM2.73 last week.

Still, the candles are above the uptrend line formed since May this year and if the candles find support at the uptrend line support of RM2.60, there are trading buy opportunities. Failure to hold the line would compel an avoid recommendation. Apart from the RM2.60 support, the other support is at RM2.50. The resistance, meanwhile is at RM2.95.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives were lower at close yesterday due to technical selling, dealers said. They said some market players were a little bit concerned over possible slower demand in the near future as well as stock build-up as production improved. "Overall, the market was affected by the lack of fresh leads but sentiment remained positive," a dealer said. At the close, September 2010 fell RM47 to RM2,670 per tonne, October 2010 decreased RM58 to RM2,570 per tonne, November 2010 went down RM50 to RM2,510 per tonne and December 2010 was RM59 lower at RM2,481 per tonne. (BTimes)

The ringgit closed lower against the US dollar yesterday. At the close, the ringgit traded at 3.1435/1465 to a US dollar compared with Monday's close of 3.1310/1330. A dealer said the yen's 15-year high against the dollar and its nine-year peak against the euro affected the local unit's performance. An economist said concerns of weak export demand, which may slow expansion in the second half of this year, contributed to the ringgit's movement. (BTimes)

Oil prices sank again on Tuesday after a disappointing report on U.S. home sales underlined the slow economic recovery and weak demand for oil and gas. Benchmark crude for October delivery fell \$1.47 to settle at US\$71.63 a barrel on the New York Mercantile Exchange. The price of oil has retreated about 13 percent in the past three weeks. (Star)

Japan's export growth slowed for a fifth month in July, adding to risks in an economy already under threat by the yen's surge to a 15-year high against the dollar. Overseas shipments advanced 23.5 percent in July from a year earlier, less than June's 27.7 percent, the Finance Ministry said today in Tokyo. The median estimate of 18 economists surveyed by Bloomberg was for 21.8 percent. From a month earlier, exports fell 1.4 percent. (Bloomberg)

Sales of existing U.S. houses plunged by a record 27 percent in July as the effects of a government tax credit waned, showing a lack of jobs threatens to undermine the U.S. economic recovery. Purchases plummeted to a 3.83 million annual pace, the lowest in a decade of record keeping and worse than the most pessimistic forecast of economists surveyed by Bloomberg News, figures from the National Association of Realtors showed today in Washington. Demand for single-family houses dropped to a 15-year low and the number of homes on the market swelled. (Bloomberg)

The yen retreated from a 15-year high against the dollar on speculation Japanese policy makers will act to stem the currency's advance. The yen fell from a nine-year high against the euro as Nikkei English News said that the Bank of Japan may add to monetary easing. The Ministry of Finance may also consider intervention if speculators drive up the currency by several yen in a day, the newspaper reported, without citing where it obtained the information. The dollar fell against 11 of its 16 major counterparts as the U.S. housing slump may spur the Federal Reserve to pump more money into the economy. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10040.45	-133.96	-1.32	Nasdaq CI	2123.76	-35.87	-1.66
S&P 500	1051.87	-15.49	-1.45	FTSE 100	5155.95	-78.89	-1.51

Global and Local Headlines

U.S. stocks extended losses, sending the Dow Jones Industrial Average below 10,000, and the 10-year Treasury yield fell below 2.5 percent for the first time since 2009 as a bigger-than-estimated slump in existing home sales fuelled concern the economy may relapse into recession. The Standard & Poor's 500 Index slumped 1.9 percent to 1,047.49 at 10:01 a.m. in New York. The Dow Jones Industrial Average plunged 174.98 points, or 1.7 percent, to 9,999.43. (Bloomberg)

Japanese stocks fell earlier today, dragging the Nikkei 225 Stock Average to a 16-month low, as a record plunge in U.S. home sales added to evidence the global economy is faltering. Honda Motor Co., which receives 84 percent of its revenue abroad and Toyota Motor Co., the world's largest carmaker, both fell at least 1.3 percent. Sony Corp., the world's third-biggest television maker, lost 1.7 percent as the yen's appreciation against the dollar threatened to hurt export earnings. Canon Inc., which count the Americas and Europe as its biggest markets outside Japan, lost 2.1 percent. (Bloomberg)

Ireland's long-term sovereign credit rating was cut one step to AA- by Standard & Poor's on concern about the rising cost of supporting the country's struggling banks. S&P raised its estimate for recapitalizing the banking system to as much as 50 billion euros (\$63 billion) from a previous estimate of as much as 35 billion euros. The rating is the lowest since 1995, according to data compiled by Bloomberg. (Bloomberg)

YTL Corp Bhd's (YTL) Wessex Water Ltd may no longer participate in the multi-billion ringgit project to rehabilitate and develop the polluted Klang River, sources said. Britain-based Wessex is a water treatment and sewerage specialist, which together with property developer I-Bhd had been part of a consortium bidding for the Selangor government project. It is understood that Wessex, together with another consortium and a company, had been chosen to work on different aspects of the project. The other consortium is TSS-Mako Engineering Sdn Bhd while the company is GJA Engineering & Construction Sdn Bhd. The master planner is DPZ Asia, an architectural and planning firm based in the United States. According to Tricia Yeoh, a research officer to the Selangor Mentri Besar, the state government is still studying the proposals submitted by the companies. (Star)

Tenaga Nasional Bhd (TENAGA) has been offered by the Government to develop the first unit of 1,000 MW coal-fired power plant on its existing power plant site in Manjung Perak. In a filing with Bursa Malaysia yesterday, TNB said the concession was to build, own and operate the coal-fired plant. It said the plant was expected to commence operation on March 1, 2015. (Star)

Shareholders of **Genting Malaysia Bhd** (GENM) voted yesterday in favour of resolutions to acquire the British casino operations collectively known as Genting UK from Genting Singapore plc despite initial misgivings over the related party transaction nature of the deal. It is understood that shareholders mainly asked questions on the rationale for the acquisition and on profitability, as Britain is not seen as a growth market due to prevailing economic conditions and tougher operating conditions. "Shareholders wanted more clarification on the acquisition and whether it'll be profitable," a shareholder said, adding that HSBC Nominees and Cartaban Nominees called for a poll before the voting. The vote was 60.39% or 1.17 billion shares, for the acquisition, which was worth RM1.67bil. Genting Malaysia, the owner and operator of Resorts World Genting, is 47.33% owned by Genting Bhd, which also owns a 52% stake in Genting Singapore. (Star)

IOI Corp Bhd's (IOICORP) net profit rose 12.3% to RM547mil in the fourth quarter ended June 30 against the corresponding quarter of last year mainly contributed by higher crude palm oil (CPO) prices. This was despite a marginal decrease in revenue to RM3.06bil for the quarter under review from RM3.12bil previously. As a result, earnings per share (EPS) for the quarter climbed to 8.57 sen from 8.21 sen a year ago. According to IOI Corp, its plantation segment posted a 6% increase in operating profit to RM274.5mil for the quarter under review from RM259.3mil a year earlier. Average crude palm oil prices realised for the quarter was RM2,504 per tonne compared with RM2,455 a year earlier. (Star)

Axis Real Estate Investment Trust (AXREIT) has proposed to acquire the Tesco JB hypermarket complex for a total lump-sum cash consideration of RM75.6mil from Bukit Indah (Johor) Sdn Bhd. The latest acquisition would increase the assets under management to over RM1.2bil, Axis-REIT said in a filing with Bursa Malaysia yesterday. Axis-REIT trustee, OSK Trustees Bhd, has entered into a sale and purchase agreement with Bukit Indah Johor for the proposed acquisition. (Star)

IJM Land Bhd (IJMLAND) expects to launch new properties with a total gross development value (GDV) of RM1bil to RM1.2bil in the financial year ending March 31 (FY11), said chief executive officer and managing director Datuk Soam Heng Choon. "With the outlook of the property market looking more positive this year, we expect to launch a list of new properties during this financial year. Since April, we have already launched properties with a GDV of RM500mil. "Next month, we expect to launch new residential properties with a combined GDV of RM120mil in Sandakan, the Klang Valley and Johor Baru," he told reporters yesterday after the group's AGM and EGM. (Star)

TIME dotCom Bhd (TIMECOM) posted a lower net profit of RM22.98mil in its second quarter ended June 30 (Q2), compared with RM24.45mil in the same quarter last year. The company said that on "a like-to-like basis (excluding profit from the global bandwidth business, dividend income received from the TdC's investment in DiGi.Com Bhd shares and finance expenses), TdC's profit before tax would have increased by RM5mill in the current quarter compared to the the corresponding period in 2009." TdC earned RM30mil in investment income in the same quarter last year, compared to only RM10.7mil this quarter. The investment income is mainly from dividends from DiGi.Com shares TdC owns. TdC has quoted shares with a market value of RM632mil, the bulk of which are DiGi.Com shares. (Star)

QL Resources Bhd (QL) is willing do discuss mergers and acquisitions if they can benefit the company, according to managing director Chia Song Kun. The company acquired a 23.29% stake in rival Lay Hong Bhd on Monday, fuelling speculation that it might be pursuing more such policies. "As a company we are constantly looking for good business opportunities. One such opportunity came up on Monday, when we had the chance to acquire a stake in Lay Hong," Chia said after the company's AGM and EGM yesterday. (Star)

RHB Capital Bhd (RHBCAP) posted higher net profit of RM339mil for its second quarter results ended June 30, 2010 from RM301.5mil it gained on the same period last year. Revenue for the period was RM1.45bil versus RM1.34bil it posted last year while earnings per share was 15.7 sen against 14 sen. It told Bursa Malaysia yesterday the group recorded a pre-tax profit of RM447.9mil as compared to RM474.2mil achieved in the first quarter of 2010. (Star)

Despite posting a 36% higher revenue of RM96mil in the second quarter ended June 30, **Malaysian Bulk Carriers Bhd** (MAYBULK) saw its net profit more than halved to RM31.6mil from RM71.1mil in the previous corresponding period. For the quarter under review, the company was impacted by foreign exchange losses, equity investments and lower gains from associate company PACC Offshore Services Holdings Pte Ltd (POSH), chief executive officer Kuok Khoon Kuan said at a briefing on Maybulk's financial performance yesterday. (Star)

According to a consensus of 28 research houses, Malaysia's largest conglomerate is expected to announce a net profit of RM1.7 billion on RM32.6 billion revenue. The market still expect troubled **Sime Darby Bhd** (SIME) to turn a profit for the year to June 30 2010 although admitting they are in the dark about its fourth-quarter performance. The group is now carrying out forensic investigations into staggering cost overruns and delays at its energy and utilities division, while the Malaysian Anti-Corruption Commission has also joined the fray. (BTimes)

Singapore's central bank lifted a ban on the sale of structured notes for six brokerages yesterday after they complied with the regulator's orders. The ban was imposed last year after a probe into the sale and marketing of the derivatives linked to failed Wall Street bank Lehman Brothers. The brokerages are CIMB Securities (Singapore) Pte Ltd, DMG & Partners Securities Pte Ltd, Kim Eng Securities Pte Ltd, OCBC Securities Pte Ltd, Phillip Securities Pte Ltd and UOB Kay Hian Pte Ltd, the Monetary Authority of Singapore (MAS) said in a statement. (BTimes)

Smart card maker **Iris Corp Bhd** (IRIS) fully paid off its Bai Bithaman Ajil Secured Debt Securities (BaIDS) of RM60 million and Murabahah Commercial Papers/Medium term Notes of RM40 million. The group fully redeemed and cancelled entire BaIDS and notes on Monday prior to their maturity date on October 29 2010 and April 29 2011 respectively. (BTimes)