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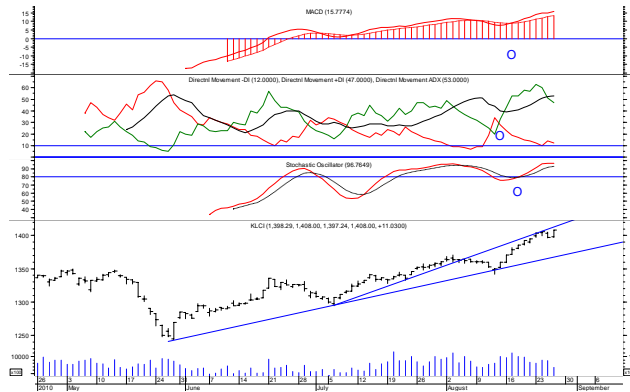
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## MARKET FLASH

### FBM KLCI

Fri, 27 Aug 2010



### MARKET STATISTICS (26/8/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,408.0	+ 11.03
FBM 100	9,198.88	+ 61.62
FBM ACE	3,741.09	+ 2.39
Volume (m)	684.9	
Value (RMm)	1,292.0	
Up	353	
Down	333	
Unchanged	294	

### FOREIGN

Nikkei	8,906.48	+ 61.09
Hang Seng	20,612.06	- 22.92
STI	2,925.87	- 0.68
Shanghai CI	2,603.48	+ 6.90

### BURSA MOVERS

Gainers	Close	Chg
BAT	44.84	+ 0.98
Digi	24.80	+ 0.66
PetDag	10.50	+ 0.30
SMI-LA	0.64	+ 0.30
Layhong	1.93	+ 0.28

Losers	Close	Chg
PPedana	3.01	- 0.19
CCB	5.38	- 0.21
LPI	10.00	- 0.20
Waseong	2.10	- 0.20
BHIC	4.39	- 0.14

Actives	Close	Chg
Timecom	0.51	- 0.04
Axiata	4.47	+ 0.05
XDL	0.51	+ 0.055
Maybank	8.22	+ 0.09
Carotec	0.085	+ 0.005

### Today's Market Direction :

FBM KLCI would likely to trade **above 1,408** level.

### Market Buying Strength :

About **95%** of total market volume on 26/8/2010 was on buying side compared to **15%** in the preceding trading day.

### "Movement" in Strong Hands :

Strong hands were seen **acquiring** a portion of stock positions on 26/8/2010.

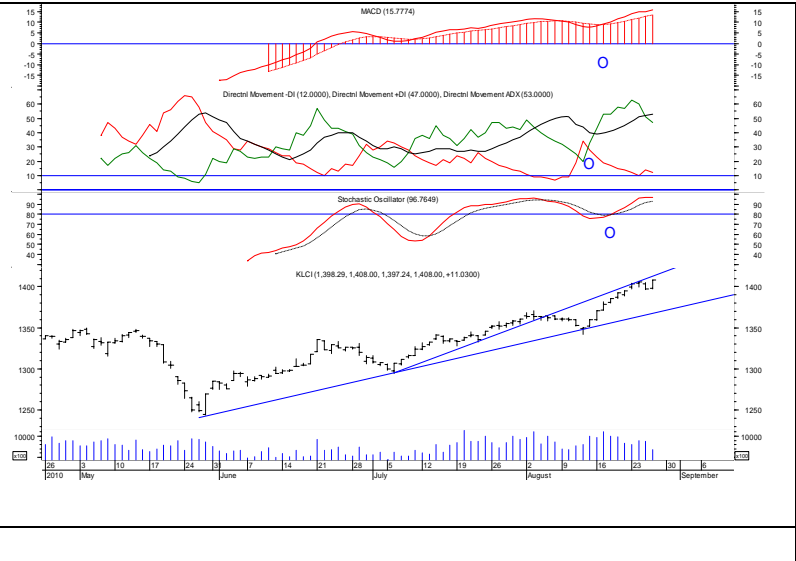
### Pivot Point Studies for Intra-Day :

For **Friday (27/8/2010)**, 1<sup>st</sup> resistance @ **1,411.5** & 2<sup>nd</sup> resistance @ **1,415.1** ; 1<sup>st</sup> support @ **1,400.8** & 2<sup>nd</sup> support @ **1,393.6**.

**To read more .....**

## Technical Analysis – Daily FBM KLCI

	26/8/2010	25/8/2010
Open	1,398.29	1,403.1
High	1,408.00	1,405.27
Low	1,397.24	1,396.41
Close	1,408.00	1,396.97
Volume	684.8 m	873.0 m
<b>Market Breadth</b>		
Up	353	186
Down	333	585
Unchanged	294	268
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



**Market reversed to likely fast hit 1,420 level .....**

### Market Commentary :

Supported by bargain hunting activity to acquire beaten down stocks after 4 straight days of declines amid lowest sales of new homes in July 2010 and weak durable goods orders, DJIA had on 25/8/2010 gained 19.61 points to close at 10,060.06.

The double-digit rise in Wall Street helped to contain the negative sentiment in Bursa Malaysia in the opening bell on 26/8/2010, FBM KLCI only traded to a low of **1,397.24** as traders decided not to stage an immediate follow thru selling pressure. In the absence of stronger selling interest in area of **1,397.247**, light renewed buying interest rolled in, this lifted stock index into 1,400 zone to reach highest high of **1,408 since 22/2/2008** before settled at **day high**.

The **rise of 11.03** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM (up RM0.03 to RM3.55)**, **Sime Darby (up RM0.12 to RM7.88)**, **IOI Corp (up RM0.09 to RM5.25)**, **Genting (up RM0.01 to RM9.00)** and **Maybank (up RM0.09 to RM8.22)**.

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

Market did not trade lower yesterday (26/8/2010) despite the down close scenario. The higher low market play on 26/8/2010 was a surprise as the settlement below 1,400 level on 25/8/2010 should have drawn in more selling interest the subsequent day (26/8/2010); furthermore, the failed higher attempt on 25/8/2010 would have served as a visible sign to indicate a weakening market.

**So, with KLCI took down the immediate high 1,406.95 level to reach 1,408 level, what can be said about this market ? The earlier 1,406.95 level was indeed seen to be topping in the immediate short term.** Firstly, market gapped up into 1,400 zone on 23/8/2010 and was followed by higher levels; but, the speed to the up north direction was not impressive to provide better buying confidence. Market managed to steal a closing above 1,400 level despite intra-day dips

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below 1,400 level on 23/8/2010 and 24/8/2010; however, the lower high on 25/8/2010 somehow prompted traders with winning trades to lock in a portion of their stock positions. The market was seen struggling to go much higher after the 1,400 level crossover on 24/8/2010, this undoubtedly indicated an imminent market correction. However, a new market scenario seemed to have been created on 26/8/2010 as the downside violation of 1,400 level on 25/8/2010 did not result in an immediate follow thru market play to push the KLCI lower. The sudden reversed game play on 26/8/2010 would see this market to go over 1,406.95 in next few days with an eye to a fast hit target of 1,420 level before the emergence of renewed selling interest.

**Ladies & gentlemen**, 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 created a caution stance among traders in playing aggressively on buying side. Well, given the attained lower end to mid level of the early expected 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, because the volume traded on 26/8/2010 was below 700 million shares.

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, and more traders were expected to be still feeling uncomfortable even though the return upward move into 1,400 zone helped to ease the negative sentiment.

**What had caused the market to climb back up into 1,400 zone again on 26/8/2010 ?** We recognized the fact that the up play into 1,400 zone on 23/8/2010 indeed consumed much efforts to put up a nice picture for every traders and investors to see, and these traders were simply not willing to end the up play here by clicking in a few points above 1,400 level. This can be seen from the day high of 1,408 on 26/8/2010, market would now be looking to fast track its move to 1,420 level.

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

A check of internal market strength on 26/8/2010 showed that buying strength improved with strong hand(s) seen acquiring another portion of buying positions, and the net number of stock positions liquidated from 20/8/2010 to 26/8/2010 was about 59% of what was established between 11/8/2010 and 19/8/2010 compared to 64% in the preceding day.

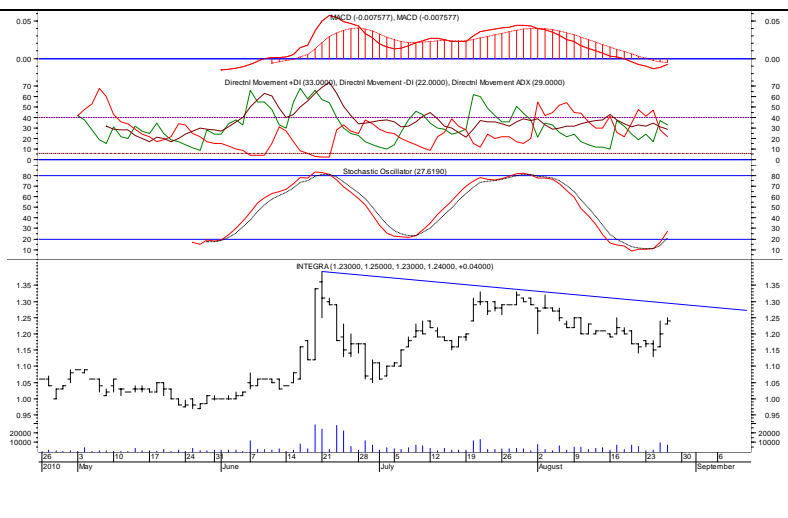
### **Conclusion :**

**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 26/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,408.

## Today's Hot Pick – Integra

	26/8/2010	25/8/2010
Open	1.23	1.16
High	1.25	1.24
Low	1.23	1.16
Close	1.24	1.20
Volume	10,674	9,771
<b>Indicators</b>	26/8/2010	25/8/2010
MACD	sell	sell
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *RM1.33 upside target seen attainable* .....

**Integra (9555** - MainBoard) had on 26/8/2010 hit the immediate high of **RM1.25** (17/8/2010) before settled at **RM1.24**.

**Next Potential Upside Target** : An upside violation of **RM1.25 level** would likely see **Integra** to trade upward with next upside target at **RM1.33**.

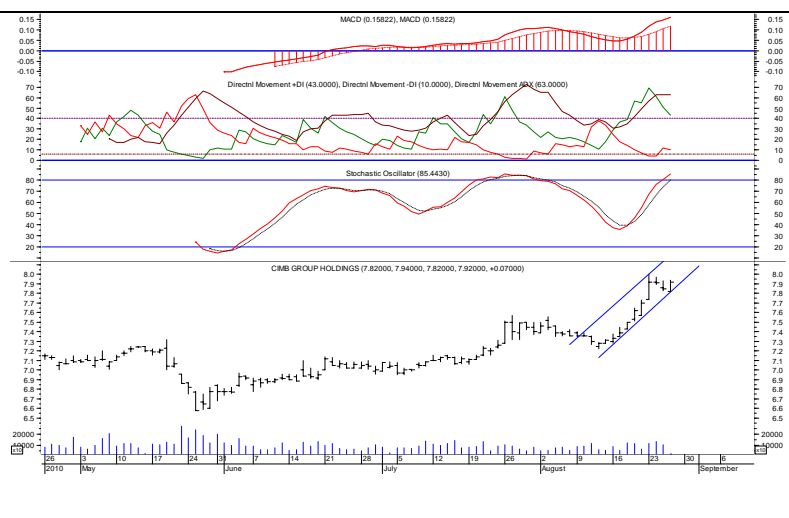
**Entry Level** : Risk taking traders may establish buying position at **RM1.22** as a small pull back is seen likely before making attempt(s) to go higher.

**Stop Loss Level** : Once a buying position is being established, a stop loss at **RM1.18** 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 – CIMB

	26/8/2010	25/8/2010
Open	7.82	7.86
High	7.94	7.93
Low	7.82	7.83
Close	7.92	7.85
Volume	67,685	108,702
<b>Indicators</b>	26/8/2010	25/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *Within upward channel .....*

**CIMB (1023** - MainBoard) had on 26/8/2010 traded higher to a day **high of RM7.94** before settled at **RM7.92**.

**Price Direction** .....

In view of **a decrease** in market participation, the stock can be expected to trade **sideways** within the small upward channel in coming day(s) with an overhead resistance pegged at **RM8.10** and support at **RM7.80**.

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

A turnaround of prices to close **below RM7.80** 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 – **TM Bhd**



### Chart wise

### Sell.

### Telekom Malaysia Bhd (4863-Main Market- Trading/Services)

TM's candles have charged up over the past week to test the RM3.60 level last week, but failed to breakthrough. Consequently, a consolidation set in towards the end of the week and in the process, pulling down both its overbought core indicators.

The lagging MACD, however, remains positive for now, but the consolidation looks to sustain over the near term as the daily chart adjust from its short-term overbought. There should be strong support at the recent high of RM3.49 before the RM3.36 comes into play. On the upside, the RM3.80 level remains a formidable level to breach.

## **MAJOR NEWS**

### **Commodity, Currency and Economic News**

**The ringgit** ended marginally lower against the greenback yesterday in the absence of market-moving factors. However, the currency's underlying fundamentals were still intact. Dealers said a higher Wall Street prompted European shares to climb and this in turn saw the Euro strengthening. At 5pm, the ringgit traded at 3.1410/1440 to the US dollar compared with 3.1393/1419 the previous day. (BTimes)

Prices of **crude palm oil (CPO) futures** contracts on Bursa Malaysia Derivatives ended higher yesterday on the back of strong crude oil price, dealers said. Crude oil futures at the New York Mercantile Exchange for October delivery traded at \$72.82 per barrel. According to the dealers, the rebound was also supported by short-covering activities that boosted market sentiment amid concern of stock build-up. "The uptrend returned despite lower export data (the previous) day," said one of the dealers. At close, CPO futures contracts for September 2010 rose RM28 to close at RM2,668 per tonne, October 2010 increased RM32 to RM2,573 per tonne, November 2010 went up RM44 to RM2,530 per tonne and December added RM45 to RM2,513 per tonne. Turnover dropped to 17,790 lots from 29,218 lots the previous day and open interest declined to 68,428 contracts from 68,654 contracts earlier. (BTimes)

**U.S. applications for jobless benefits** fell more than forecast last week, easing concern American employers are again slashing payrolls as the economy slows. Claims dropped by 31,000, the first decline in a month, to 473,000 in the week ended Aug. 21, Labor Department figures showed today in Washington. The total number of people receiving government payments exceeded 10 million for the first time in four months, reflecting an increase in those getting extended benefits. (Bloomberg)

**The yen** gained for the first time in three days against the euro as signs the global economy is slowing boosted demand for Japan's currency as a refuge. The yen rose versus all of its 16 major counterparts before a report today forecast to show the U.S. economy grew at the slowest pace since the middle of last year. The dollar headed for the biggest weekly loss in more than a month against the yen on speculation Federal Reserve Chairman Ben S. Bernanke will signal further monetary easing to boost the world's largest economy when he gives an assessment today. (Bloomberg)

**Japan's unemployment rate** unexpectedly fell for the first time in six months in July as the economy added more jobs. The jobless rate dropped to 5.2 percent, the statistics bureau said today in Tokyo. The median forecast of 24 economists surveyed by Bloomberg News was 5.3 percent. The improvement in the unemployment rate may be a welcome development for Prime Minister Naoto Kan, who is trying to bolster growth with fresh stimulus measures to protect the economy from the yen's surge to a 15-year high against the dollar. Slower global demand puts more pressure on consumers to increase spending to support the economic recovery. (Bloomberg)

**Oil prices** rose for a second day Thursday after six straight days of declines, as the dollar fell and investors latched onto a government report that new requests for unemployment benefits fell sharply last week. Benchmark oil for October delivery added 84 cents to settle at \$73.36 a barrel on the New York Mercantile Exchange. In London, Brent crude jumped \$1.54 to settle at \$75.02 on the ICE Futures exchange. (Star)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	9985.81	-75.25	-0.74	Nasdaq CI	2118.69	-22.85	-1.07
S&P 500	1047.22	-8.11	-0.77	FTSE 100	5155.84	46.44	0.91

### Global and Local Headlines

**U.S. stocks** fell yesterday, sending the Dow Jones Industrial Average below 10,000 for the first time in seven weeks, as concern about Spain's fiscal stability and a slowdown in manufacturing wiped out early gains triggered by a drop in jobless claims. Guess? Inc. retreated 11 percent after its forecast trailed analyst estimates. Cisco Systems Inc. and International Business Machines Corp. lost the most in the Dow as 28 of the gauge's 30 companies retreated after a court ruled Spain's method of auditing sales tax was illegal and the Federal Reserve Bank of Kansas City said manufacturing growth stalled in the region. (Bloomberg)

**Asian stocks** fell earlier today, led by materials and financial stocks, ahead of revisions to U.S. economic growth figures and as the yen continued to rise against all major counterparts. BHP Billiton Ltd., the world largest mining company, fell 1 percent on concern weaker growth in the world's largest economy will crimp demand for materials. Westpac Banking Corp., Australia's second-biggest bank, fell 1.1 percent. Toyota Motor Corp., the No. 1 automaker, fell 1 percent after announcing it will recall 1.13 million Corolla and Matrix cars. (Bloomberg)

**Federal Reserve** Chairman Ben S. Bernanke and European Central Bank President Jean-Claude Trichet, who united to fight the worst global recession in six decades, may be diverging over the outlook for their economies. The Bernanke-led Fed, while saying U.S. growth would be slower than anticipated, announced on Aug. 10 it will buy Treasuries to set a \$2.05 trillion floor on its balance sheet and keep interest rates from rising. Trichet said Aug. 5 that the euro-area economy was surpassing forecasts, which may pave the way for the ECB to look at phasing out its emergency lending measures. (Bloomberg)

**Intel Corp.**, the world's largest chipmaker, is close to an agreement to buy Infineon Technologies AG's wireless business, three people with direct knowledge of the discussions said. An announcement could come as early as this week, the people said, declining to be identified because the talks are private. Infineon, Europe's second-largest chipmaker, is seeking about 1.5 billion euros (\$1.91 billion) for its wireless business, two people familiar with the talks said on Aug. 2. (Bloomberg)

Prime Minister Naoto Kan's government is stepping up pressure on the **Bank of Japan** to spur growth as it tries to jump start a slowing economy under threat by a currency at a 15-year high. The ruling Democratic Party of Japan called on the central bank to "speedily take further steps" in a stimulus package proposal presented to Kan in Tokyo yesterday. Vice Finance Minister Motohisa Ikeda, a DPJ lawmaker, also said the bank needs to "do everything it can" to tackle deflation. (Bloomberg)

**Supermax Corp Bhd** (SUPERMX) registered a net profit of RM45.9mil for the second quarter ended June 30, 77.9% higher compared with the RM25.8mil posted a year ago, driven by revenue growth and cost savings from higher efficiency and productivity from improved processes and refurbished lines. Its revenue rose 24.6% to RM234.8mil, compared with RM188.5mil in the same period last year on the back of strong global demand for rubber gloves and higher selling prices. (Star)

**Tenaga Nasional Bhd** (TENAGA) is proposing to issue up to 1.12 billion new shares in a one-for-four bonus issue as well as to increase the authorised share capital to RM10bil comprising 10 billion shares from RM5bil currently to accommodate the bonus issue. AmInvestment Bank Bhd said in a filing with Bursa Malaysia on behalf of TNB's board yesterday that the rationale behind the bonus issue was "to reward the existing shareholders of TNB for their continuous support." (Star)

**Fraser & Neave Holdings Bhd** (F&N) is acquiring a 23.08% stake, or 39.6 million shares, in Cocoland Holdings Bhd for RM54.6mil cash, or RM1.38 per share, to strengthen and accelerate the development of its existing food and beverage (F&B) portfolio. Chief executive officer Datuk Ng Jui Sia said the Cocoland stake would provide the group with a strategic and synergistic foothold to advance its aspirations to create a regional food and beverage enterprise. (Star)

**Sime Darby Bhd** (SIME) posted a loss of RM77.4mil for the three months ended June 30, the group's second straight quarter of losses, after it set aside a further RM777.3mil for potential losses on projects under its energy and utility division. Including the RM1.3bil in provisions made in the third quarter, the group's total provisions for foreseeable losses and impairments for financial year 2010 (FY10) was a staggering 2.08bil. The group, however, remained in the black for the full year at RM726.8mil on the back of RM2.1bil in operating profit posted by its core plantation business. That is about half of what analysts had expected the group to make in FY10, although most forecasts excluded provisions for the fourth quarter. (Star)

**Genting Bhd** (GENTING) posted a whopping 244.6% jump in net profit for its second quarter ended June 30 to RM739.2mil compared with RM214.5mil in the same quarter a year ago. Revenue stood at RM4.1bil compared with RM2.1bil previously. Genting said in a statement that the increase came mainly from its leisure and hospitality division following the commencement of Resorts World Sentosa (RWS) in Singapore. (Star)

**CIMB Group Holdings Bhd** (CIMB) posted its best three- and six-month performance when it announced its second quarter results to June 30 on the back of a strong rebound in corporate and investment banking, a surge in contribution from PT Bank CIMB Niaga and drop in loan loss provisions. CIMB reported a 34.1% increase in net profit of RM889mil for the second quarter compared with the previous corresponding period. Revenue was up 16.59% to RM3.02bil. These results are in line with analysts' expectations. For its first half year, net profit grew 35.2% to RM1.73bil while revenue gained 14.9% to RM5.86bil. (Star)

**Sime Darby Bhd** (SIME) plans to revamp the group's sprawling businesses into six flagship subsidiaries, each with its own board of directors and committees, in a bid to improve oversight after the conglomerate reported a second quarter of straight losses on cost overruns. "We are looking to implement a new structure, which is similar to the old Sime Darby where each business operations would be in its own separate company," acting president and group chief executive Datuk Mohd Bakke Salleh told a press briefing yesterday. "The board has approved the concept this morning and we are looking to implement this as early as Jan 1, 2011," he said. (Star)

Property developer **Mah Sing Group Bhd** (MAHSING) says its second-quarter net profit rose by more than a quarter and it has met its RM1 billion full-year sales target in just seven months. The group has now set a new sales target of RM1.5 billion as it prepares for new launches for the rest of the year. "The group is confident it will be able to achieve satisfactory results for the current financial year. (BTimes)