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(A Participating Organisation of Bursa Malaysia)

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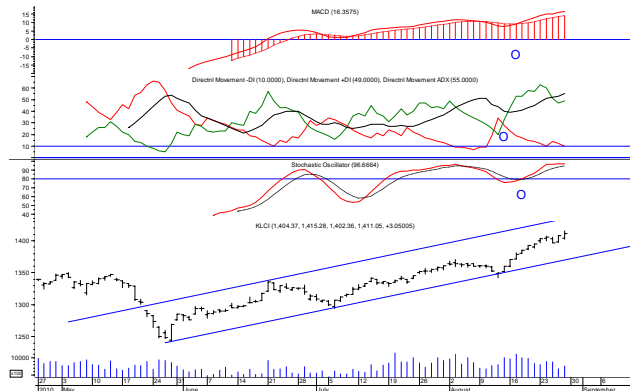
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## MARKET FLASH

### FBM KLCI

Mon, 30 Aug 2010



### MARKET STATISTICS (27/8/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,415.28	+ 3.05
FBM 100	9,206.93	+ 8.05
FBM ACE	3,720.14	- 20.95
Volume (m)	762.6	
Value (RMm)	1,532.5	
Up	286	
Down	405	
Unchanged	285	

### FOREIGN

Nikkei	8,991.06	+ 84.58
Hang Seng	20,597.35	- 14.71
STI	2,938.74	+ 12.87
Shanghai CI	2,610.74	+ 7.26

### BURSA MOVERS

Gainers	Close	Chg
BAT	45.18	+ 0.34
Nestle	39.80	+ 0.32
Biport	6.86	+ 0.26
Layhong	2.16	+ 0.23
Sime Darby	8.10	+ 0.22

Losers	Close	Chg
CCB	5.20	- 0.18
CIMB	7.74	- 0.18
F & N	14.30	- 0.16
Supermax	5.22	- 0.12
APM	4.39	- 0.11

Actives	Close	Chg
Timecom	0.495	- 0.015
Carotec	0.085	=
Talam	0.10	=
Axiata	4.45	- 0.02
CIMB	7.74	- 0.18

### Today's Market Direction :

FBM KLCI would likely to trade **above** 1,415.28 level.

### Market Buying Strength :

About **75%** of total market volume on 27/8/2010 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 27/8/2010.

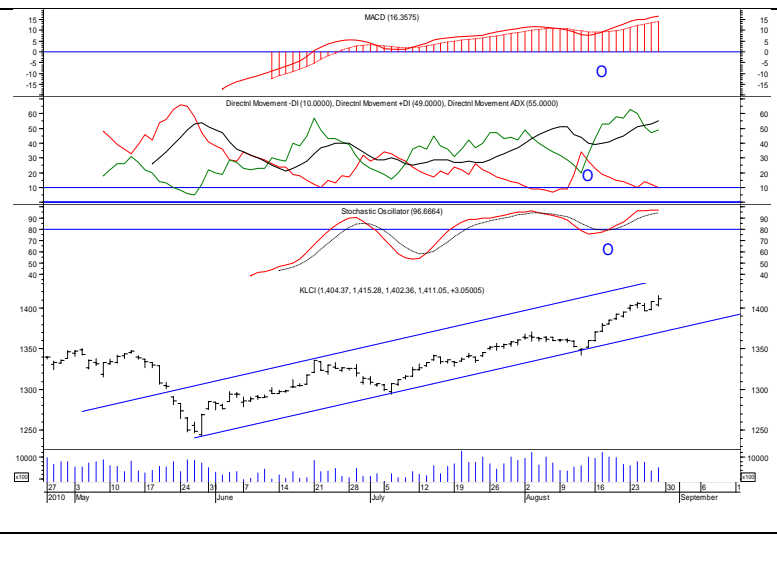
### Pivot Point Studies for Intra-Day :

For **Monday (30/8/2010)**, 1<sup>st</sup> resistance @ 1,416.5 & 2<sup>nd</sup> resistance @ 1,422.3 ; 1<sup>st</sup> support @ 1,403.6 & 2<sup>nd</sup> support @ 1,396.5.

To read more .....

## Technical Analysis – Daily FBM KLCI

	27/8/2010	26/8/2010
Open	1,404.37	1,398.29
High	1,415.28	1,408.00
Low	1,402.36	1,397.24
Close	1,411.05	1,408.00
Volume	762.6 m	684.8 m
<b>Market Breadth</b>		
Up	286	353
Down	405	333
Unchanged	285	294
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



**Just wanted to keep the up play in .....**

### Market Commentary :

Continued worries over economic recovery, DJIA had on 26/8/2010 shed 74.25 points to close below 10,000 mark at 9,985.81.

The double-digit fall in Wall Street did not affect the trading sentiment much in Bursa Malaysia in the opening bell on 27/8/2010, FBM KLCI traded to a low of **1,402.36** as traders were seen unwilling to sell down the market on a more aggressive manner. In the absence of stronger selling pressure in area of **1,402.36**, renewed buying interest rolled in, this lifted stock index higher than previous day high of 1,408 to a day high of **1,415.28** before settled at **1,411.05**.

The **rise** of **3.05** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up RM0.04 to RM8.79), **Sime Darby** (up RM0.22 to RM8.10), **KLK** (up RM0.10 to RM17.00), **Genting** (up RM0.04 to RM9.04) and **Maybank** (up RM0.04 to RM8.26).

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

Market did not trade lower last Friday (27/8/2010) despite a weaker DJIA below 10,000 overnight. The higher low market play on 27/8/2010 was not really a surprise as the up close on 26/8/2010 indicated a "friendly" play ahead (for 27/8/2010) when the market settlement below 1,400 level on 25/8/2010 was supposed to have drawn in more selling interest on 26/8/2010.

**So, with KLCI took down the immediate high 1,406.95 level to reach 1,408 level on 26/8/2010 with another higher high than 1,408 to 1,415.28 on 27/8/2010, 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

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buying confidence. Market managed to steal a closing above 1,400 level despite intra-day dips 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, the new market scenario had 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 **73.2** points from low of 1,342.07 (12/8/2010) to a high of **1,415.28** (27/8/2010) in **12** days had placed the stock index in an extreme overbought zone, this made many traders to preferably stay on a defensive side. And, there was no 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, and the advancers was smaller than decliners on 27/8/2010. This indicated the reluctance on the part of traders to commit more buying.

**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 certain traders were simply not willing to end the up play here by clicking in just a few points above 1,400 level. This can be seen from the day high of 1,408 on 26/8/2010 and high of 1,415.28 on 27/8/2010, market would now be likely looking to fast track its move to 1,420 level.

**Can KLCI break above 1,420 level to 1,450 level ?** A low market volume in KLCI did not always necessarily mean that stock index would stop making higher high, because it was not difficult to paint a friendly picture for the KLCI chart given the types of stock component in the index. This market was supposedly due for a corrective move to go downward, somehow the unusual market force wanted to continue to keep the up play in the game, and the way it carried itself seemed to have indicated that 1,450 level would be the next upside target (the upper line of upward channel drawn on chart) while 1,420 level remained a hurdle to break.

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

A check of internal market strength on 27/8/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions liquidated from 20/8/2010 to 27/8/2010 was about 55% of what was established between 11/8/2010 and 19/8/2010 compared to 59% in the preceding day.

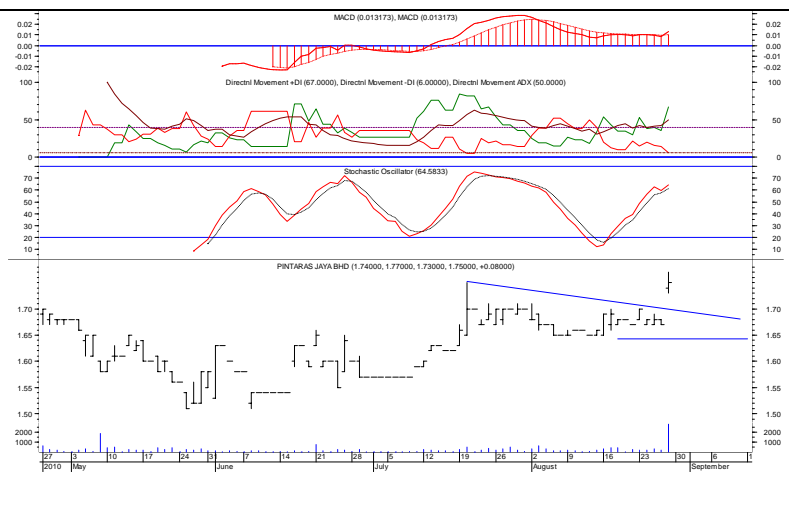
## **Conclusion :**

**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 27/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,415.28.

## Today's Hot Pick – Pintaras Jaya

	27/8/2010	26/8/2010
Open	1.74	1.68
High	1.77	1.68
Low	1.73	1.67
Close	1.75	1.67
Volume	3,062	1.80
<b>Indicators</b>		
MACD	buy	sell
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : Immediate resistance expected RM1.85 – RM1.90.....

**Pintaras Jaya (9598 - MainBoard)**, a not so liquid stock saw buying interest on 27/8/2010, the stock gapped up to cross over the immediate high of RM1.75 (20/8/2010) to reach highest high of RM1.77 since 15/4/2010 before settled at RM1.75.

**Next Potential Upside Target** : With the upside violation of RM1.75 level, **Pintaras Jaya** looked set to trade upward with next upside target at RM1.85 – RM1.90.

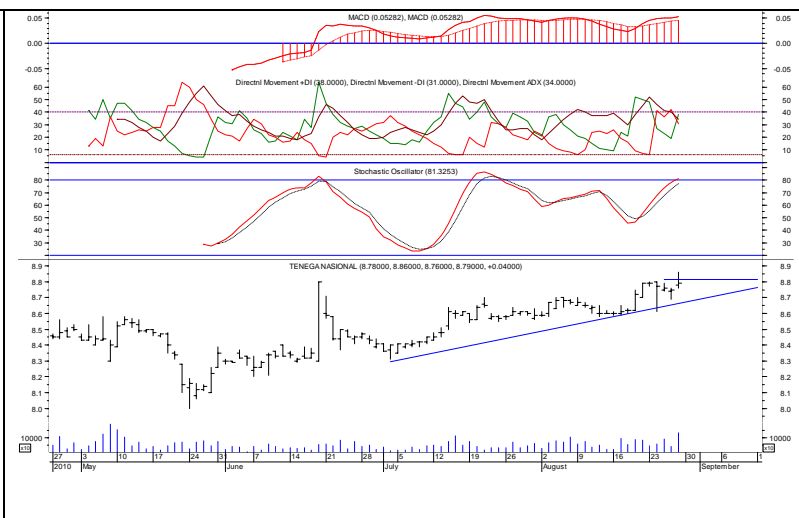
**Entry Level** : Risk taking traders may establish buying position at RM1.73 as a small pull back is seen likely before making attempt(s) to go higher.

**Stop Loss Level** : Once a buying position is being established, a stop loss at RM1.68 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 – Tenaga Nasional

	27/8/2010	26/8/2010
Open	8.78	8.74
High	8.86	8.76
Low	8.76	8.69
Close	8.79	8.75
Volume	130,939	43,538
<b>Indicators</b>	27/8/2010	26/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *upside breakout of RM8.80 not ruling out .....*

**Tenaga Nasional (5347 - MainBoard)** had on 27/8/2010 crossed over the immediate high of RM8.80 (24/8/2010) to reach highest high of RM8.86 since 9/6/2008 before settled at RM8.79.

**Price Direction** .....

In view of **an increase** in market participation, the stock can be expected to trade **sideways with upside bias** in coming day(s) with an overhead resistance pegged at RM9.10 and support at RM8.55.

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

A turnaround of prices to close **below RM8.55** 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.

## Stock review – BJ Corp Bhd



### Chart wise:

### Caution in order.

### BJ Corp Bhd (3395-Main Market- Trading/Services)

Subject to the persistent weak sentiment for its stock, the share price of Berjaya Corp has been drifting down for the past two months. It just breached its previous low of 99.5 sen on continuous selling activities that is a cause for concern.

In the medium term, the share price is expected to continue drifting in the absence of fresh impetus amidst cautious appetite for this stock. Should the share price fail to stage a recovery from current level, the next visible support is at 85-90sen. Hence, caution is in order.

## Technical Analysis – Weekly FBM KLCI

	27/8/2010	20/8.2010
Open	1,399.87	1,359.86
High	1,415.28	1,395.02
Low	1,396.41	1,358.95
Close	1,411.05	1,395.02
Volume	4.02 b	4.90 b
<b>Pivot</b>	1,407.5	1,383.0
1 <sup>st</sup> Resis.	1,418.7	1,407.0
2 <sup>nd</sup> Resis.	1,426.4	1,419.0
1 <sup>st</sup> Supp.	1,399.8	1,370.9
2 <sup>nd</sup> Supp.	1,388.7	1,346.9
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

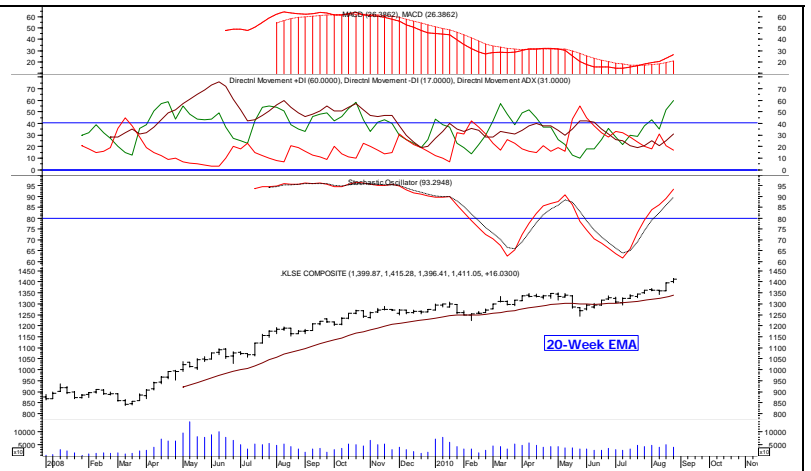


Chart wise : .

..... **79 %** of total weekly market trading activity was on buying side .....

### Weekly Market Commentary :

Continued concern about the pace of US economic recovery, DJIA traded below 10,000 level to a low of **9,937.98** before settled at **9,985.8** for the week ended 26/8/2010.

The sell-off in Wall Street did not seem to dampen trading sentiment in Bursa Malaysia last week, FBM KLCI went above 1,400 level to reach highest high of **1,415.28** since 21/2/2008 as traders chose to play on buying side in anticipation of higher market. Stock index kept its position well supported throughout the week before settled near week high at **1,411.05**.

Last week, total market turnover was **4.02** billion shares compared to **4.90** billion shares in the preceding week; thus, the **smaller market volume** in an up close scenario suggested **weaker buying pressure**.

**With a week high (1,415.28) higher than previous week high (1,395.02) and a low (1,396.41) higher than previous week low (1,358.95), can market continue to go upward ?** The higher high and higher low last week (27/8/2010) suggested a friendly scenario, and it should thus help the market in making next attempt to go higher. However, market resistance at 1,420 level can be expected in coming week.

On examination of the market behaviour for the week ended 27/8/2010, the weekly **up close** of **1,411.05** helped to paint a friendly picture onto the chart with **support** pegged at **1,390** and **overhead resistance** at **1,420** level.

A mathematical calculation showed that about **79 %** of the total market trading activity for week ended 27/8/2010 was on the **buying side** compared to **98 %** in the previous week.

### **Conclusion :**

The market action(s) for week ended 27/8/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus likely to trade **above 1,415.28**.

## MAJOR NEWS

### Commodity, Currency and Economic News

**The yen** dropped versus all its major counterparts on speculation the Bank of Japan will act to curb currency gains that are imperiling the nation's export-led economic recovery. The Japanese currency slid to one-week lows versus the dollar and euro after the Bank of Japan said in an e-mailed notice it will hold an emergency policy meeting at 9 a.m. Tokyo time. Prime Minister Naoto Kan, who is compiling his own stimulus measures to spur growth, said on Aug. 27 he expects the bank to implement policy "swiftly." (Bloomberg)

**Gold**, headed for a 10th annual gain, may reach at least US\$1,300 (US\$1 = RM3.14) an ounce this year as investors seek a shield against financial turmoil, weak currencies and inflation, according to GFMS Ltd. "There is going to be in all likelihood a surge in investment demand toward the end of this year, driving prices toward the US\$1,300 level and possibly beyond," chief executive officer Paul Walker said in an interview, repeating a June forecast. "Prices are going to ratchet up." (BTimes)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10150.65	164.84	1.65	Nasdaq CI	2153.63	34.94	1.65
S&P 500	1064.59	17.37	1.66	FTSE 100	5201.56	45.72	0.89

### Global and Local Headlines

**Japanese and Australian** stockfutures rose earlier today after Federal Reserve Chairman Ben S. Bernanke pledged to safeguard the economic recovery, and the yen weakened ahead of an emergency Bank of Japan meeting. American depository receipts of Sony Corp., an electronics maker that earns more than 70 percent of sales outside of Japan, gained 1.4 percent from the closing share price in Tokyo. Those of Toyota Motor Corp., the world's largest carmaker, rose 1 percent as the yen also weakened after Japan Prime Minister Naoto Kan said he is ready to take bold action and Bank of Japan Governor Masaaki Shirakawa returned to Tokyo from the U.S. to hold a policy meeting today. ADRs of BHP Billiton Ltd., the world's biggest mining company, and Woodside Petroleum Ltd., Australia's No. 2 oil and gas producer, rose 0.1 percent after commodity prices advanced. (Bloomberg)

**Singapore** said property owners who hold more than one mortgage can only borrow up to 70 percent of a property purchase, the Ministry of National Development said in a statement today. Such buyers must pay 10 percent of the property value as cash, from 5 percent before, the government said. The government will impose a stamp duty on property held less than three years from one year before, it said. (Bloomberg)

**The Bank of England** will leave interest rates on hold until the second quarter of 2011 as government spending cuts increase the risk of a double-dip recession, the British Chambers of Commerce said. Economic expansion may average 2 percent in the next five years, lower than the 3 percent average in the 15 years through 2007, the London-based group said in a statement today. It raised its growth forecasts for this year and next to 1.7 percent and 2.2 percent from a June projection of 1.3 percent and 2 percent. The U.K. economy grew the most since 2001 in the second quarter, as central bank officials split on whether there is a bigger threat from inflation or a slowdown in the recovery. The BCC said policy makers must be mindful of the threat to longer-term growth from government austerity measures to reduce the budget deficit. (Bloomberg)

**QL Resources Bhd** (QL), which announced its merger and acquisition (M&A) exercise last Monday, has been in the spotlight as there is wide speculation going around that the company might be pursuing more M&As going forward. QL managing director Chia Song Kun said last Tuesday that the company would look into more M&As if there was something in the market that could benefit the company. (Star)

**Iskandar Malaysia** can expect more investments from Singapore in the economic growth corridor with the improvement in bilateral ties between Malaysia and Singapore. Iskandar Regional Development Authority (Irda) chief executive officer Ismail Ibrahim said there was now a feel-good factor on both sides of the causeway following the positive diplomatic relations. He said the new development augurs well for Iskandar and that it had been busy hosting trade visits by Singapore investors and companies to South Johor. (Star)

**US Federal Reserve** chairman Ben Bernanke said on Friday the economic recovery has weakened more than expected and the Fed stands ready to act if needed to spur slowing growth. He downplayed concerns that the economy might slip back into recession, predicting a modest expansion in the second half of this year, with the pace picking up in 2011. If that forecast proved overly optimistic, however, he said the Fed had sufficient ammunition left and could support growth by purchasing more government debt or by promising to keep rates exceptionally low for a longer period than currently priced in by financial markets. (Reuters)

China is one of **IOI Corp Bhd's** (IOICORP) top five palm oil markets and executive chairman Tan Sri Lee Shin Cheng sees stronger demand in the years ahead. China, with 1.3 billion people, is the largest vegetable oil consumer in the world. Last year, China imported 6.6 million tonnes of palm oil. "Naturally, we see very good potential in increasing our sales volume further," Lee said in an interview with Business Times. "We work closely with a few parties in China," Lee said, stopping short of naming clients. (BTimes)

**Singapore's** massive bet on two casino resorts is already paying off after the number of arrivals in a single month crossed the one million mark for the first time in July, analysts said. Six months after opening its first casino in February, followed by the second in April, Singapore is already counting its winnings despite lingering concern about gambling-linked social problems among the local population. DBS Group, Southeast Asia's biggest bank, said the casino resorts are expected to contribute about US\$1.5 billion (US\$1 = RM3.14) to the economy this year. Tourism officials hope to see between 11.5 million and 12.5 million visitors this year - a figure well above the numbers visiting neighbouring countries blessed with white-sand beaches, towering mountains and other natural wonders. (BTimes)

Low-cost carrier **AirAsia Bhd** (AIRASIA) may convert debt owed by its associates into equity when they seek listing, its chief said. Group chief executive officer Datuk Seri Dr Tony Fernandes said that AirAsia's current shareholding of 49 per cent each in Thai AirAsia and Indonesia AirAsia would be diluted once they are listed on their respective exchanges. "If our shareholding is reduced to say 30 per cent with new shares issued in a listing exercise, we could opt to buy new shares to increase our shareholding," he told Business Times in a telephone interview. Fernandes said the collective debt from both associates was about RM800 million. This option was another consideration to an outright cash settlement from both associates. While both associates have turned profitable, a cash settlement from the associates was still premature to conclude. (BTimes)