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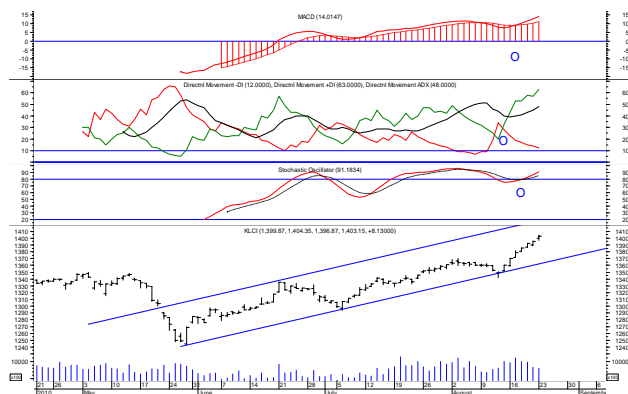
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MARKET FLASH

FBM KLCI

Tues, 24 Aug 2010



MARKET STATISTICS (23/8/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,403.15	+ 8.13
FBM 100	9,199.78	+ 41.54
FBM ACE	3,825.40	+ 11.71
Volume (m)	805.1	
Value (RMm)	1,338.3	
Up	291	
Down	465	
Unchanged	270	

FOREIGN

Nikkei	9,116.69	- 62.69
Hang Seng	20,889.01	- 92.81
STI	2,925.99	- 10.49
Shanghai CI	2,639.37	- 2.94

BURSA MOVERS

Gainers	Close	Chg
PPB	17.36	+ 0.40
Panamy	19.88	+ 0.38
BAT	44.66	+ 0.24
CIMB	7.92	+ 0.22
PetDag	10.48	+ 0.22

Losers	Close	Chg
Nestle	39.12	- 0.54
Jetson-LA	1.06	- 0.33
BJMedia-PA	0.31	- 0.215
UtdPlnt	14.80	- 0.14
Aeon	5.07	- 0.13

Actives	Close	Chg
Talam	0.105	=
Timecom	0.57	- 0.045
Genm	3.14	+ 0.05
AEM	0.465	+ 0.005
SAAG	0.065	=

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,404.31 level.

Market Buying Strength :

About **72%** of total market volume on 23/8/2010 was on buying side compared to **89%** in the preceding trading day.

"Movement" in Strong Hands :

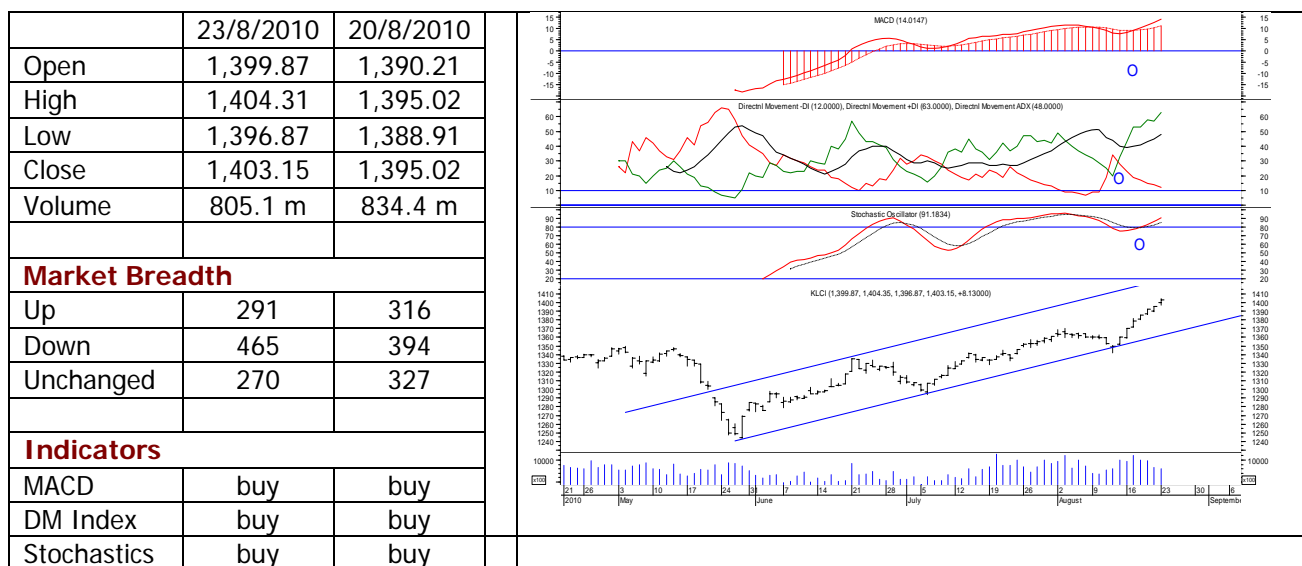
Strong hands were seen **liquidating** a portion of stock positions on 23/8/2010.

Pivot Point Studies for Intra-Day :

For **Tuesday (24/8/2010)**, 1st resistance @ 1,405.8 & 2nd resistance @ 1,408.6 ; 1st support @ 1,398.6 & 2nd support @ 1,394.1.

To read more

Technical Analysis – Daily FBM KLCI



Broke above 1,400 level with smaller volume

Market Commentary :

Worried over a slowing economy after the unexpected rising initial claims for unemployment benefits last week, DJIA had on 20/8/2010 shed 57.59 points to close at 10,213.62.

The double-digit drop in Wall Street did not create any negative sentiment to Bursa Malaysia in the opening bell on 23/8/2010, FBM KLCI only traded down to a day low of **1,396.87** as traders were seen unwilling to play a selling game. In the absence of stronger selling pressure in area of **1,396.87**, risk taking buying interest rolled in to lift the market higher into 1,400 zone to reach highest high of **1,404.31** since 22/2/2008 before settled at **1,403.15**.

The **rise of 8.13** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM** (up RM0.03 to RM3.58), **Sime Darby** (up RM0.02 to RM7.83), **CIMB** (up 0.22 RM to RM7.92), **IOI Corp** (up RM0.01 to RM5.18) and **GenM** (up RM0.05 to RM3.14).

What was the chart saying

Market continued to go higher on 23/8/2010 with a crossover into 1,400 zone following the positive up close scenario last Friday (20/8/2010). The higher market play on 23/8/2010 was not much of a surprise given the high daily market volume from 18/8/2010 to 20/8/2010. 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.**

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 **59.24** points from low of 1,342.07 (12/8/2010) to a high of **1,404.31** (23/8/2010) 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 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 4 days before emergence of stronger selling pressures.

Externally, market actions on 23/8/2010 seen better with a crossover into 1,400 zone, and there was no sign of market nervous at this moment; but, this did not mean nothing negative was shaping up internally **the way traders to look at the market would likely to change soon.**

What were the strong hands doing

A check of internal market strength on 23/8/2010 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 23/8/2010 was about 169% more than what was liquidated between 29/7/2010 and 11/8/2010 compared to 205% 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 23/8/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,404.31.

Today's Hot Pick – AIRB

	23/8/2010	20/8/2010
Open	1.43	1.31
High	1.51	1.32
Low	1.43	1.31
Close	1.49	1.31
Volume	12,328	515
Indicators	23/8/2010	20/8/2010
MACD	buy	sell
DM index	buy	buy
Stochastics	buy	sell

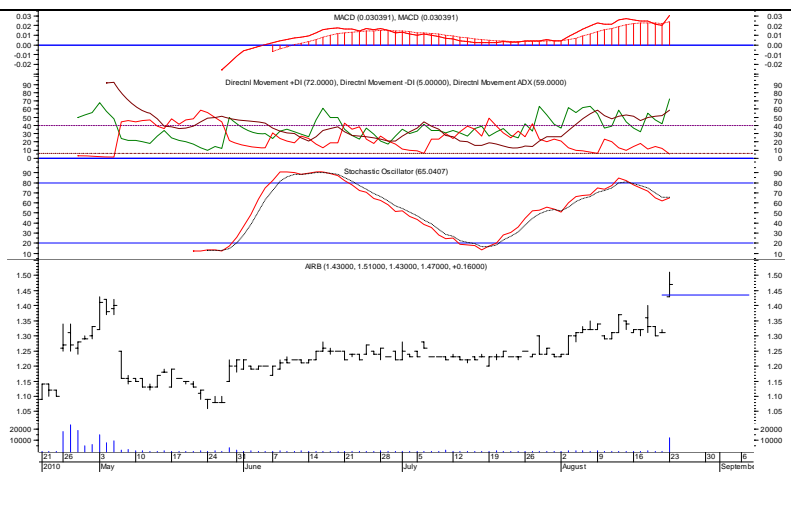


Chart wise : *Strong gapped up*

AIRB (8516 - MainBoard) had on 23/8/2010 gapped up to cross over the immediate high of RM1.40 (18/8/2010) to reach highest **high of RM1.51** since 16/7/2007 before settled at RM1.49.

Next Potential Upside Target : With the upside violation of **RM1.40 level**, **AIRB** looked set to trade upward with next upside target at **RM1.73**.

Entry Level : Risk taking traders may establish buying position at **RM1.45** 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 **RM1.36** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Note : In view of KLCI approaching 1,420 strong resistance level, a conservative trading approach should be employed with an eye to preserve capital.

Current Active Stock Review – Maybank

	23/8/2010	20/8/2010
Open	8.32	8.08
High	8.40	8.16
Low	8.13	8.08
Close	8.14	8.13
Volume	150,837	107,882
Indicators	23/8/2010	20/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

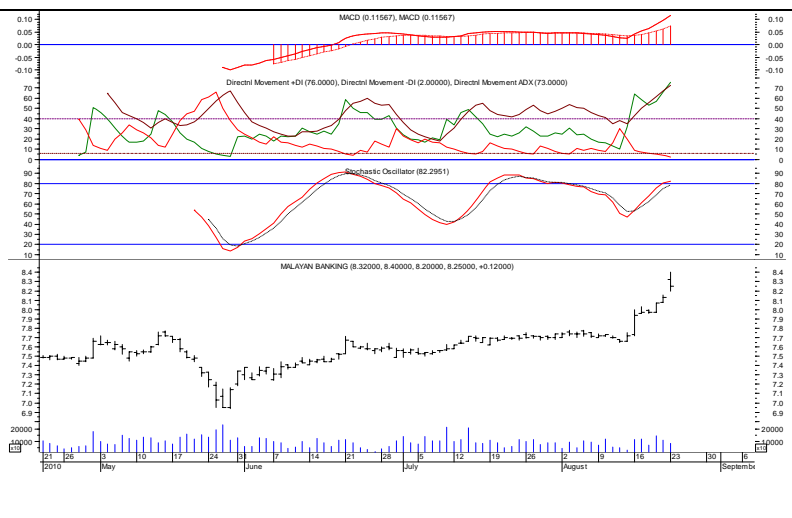


Chart wise : Resistance seen at RM8.55 level.....

Maybank (1155 - MainBoard) had on 23/8/2010 gapped up to reach highest high of RM8.40 since 28/2/2008 before settled near day low at RM8.14.

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 RM8.55 and support at RM7.95.

What to watch for

A turnaround of prices to close **below RM7.90** 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.

Active Stock Review – Hai-O Enterprise

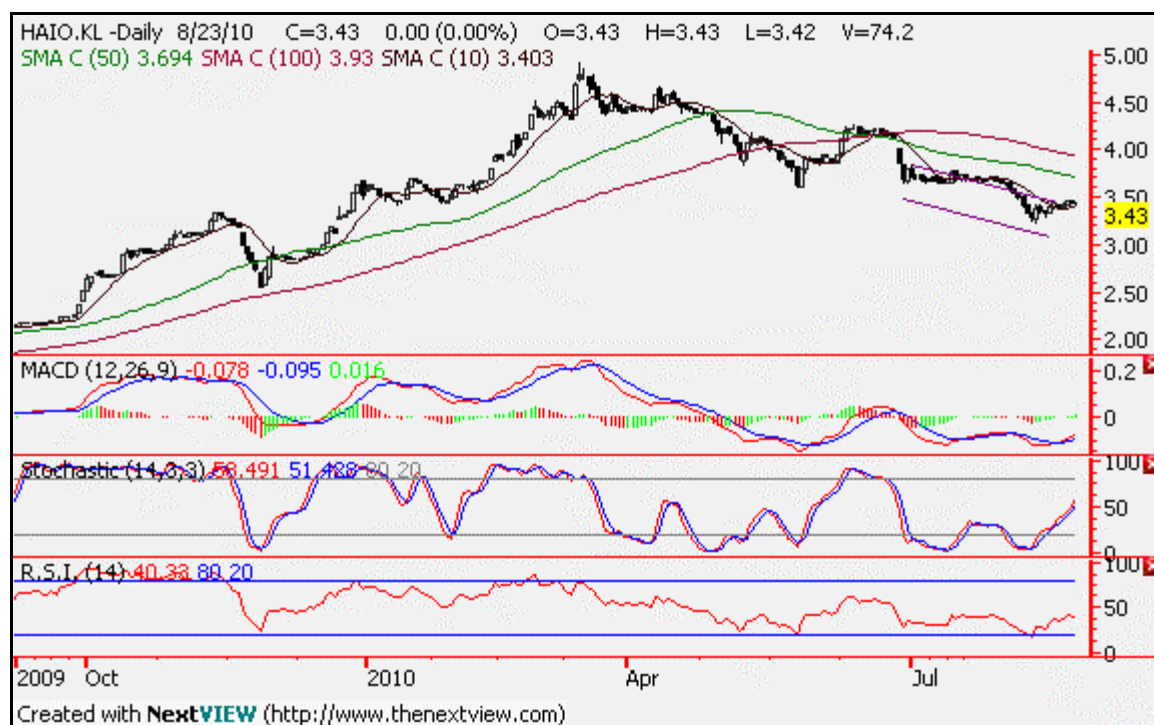


Chart wise

Choppy Trading Pattern.

Hai-O Enterprise Bhd (7668-Main Market- Trading/Services)

With its fortune to a great extent tied to the direct selling business, Hai-O had been on a volatile trend in the past few months. As the government introduced new measures on direct selling, Hai-O went south on concerns on tighter controls but had recovered on technical rebound.

However, it is not out of the clouds yet. Hence, the trading pattern for Hai-O is expected to remain choppy in the medium term. Its current price recovery appears weak. Support is RM3.25, while immediate resistance is at RM3.50.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives were higher at close yesterday on short-covering activities, dealers said. They said that higher soyabean prices and signs of improving exports due to the festive season boosted buying sentiment in the CPO futures market. "The market will see strong demand this week," a dealer said. At close, September 2010 rose RM11 to RM2,717 per tonne, October 2010 increased RM20 to RM2,628 per tonne, November 2010 added RM16 to RM2,560 per tonne and December 2010 was RM9 higher at RM2,540 per tonne. Total volume fell to 18,218 lots from the 19,861 lots last Friday while open interests declined to 67,636 contracts from 67,893 contracts previously. (BTimes)

The ringgit touched a fresh 13-year high of 3.1250 against the US dollar, but closed off its highs, in active trading yesterday. It gained 50 points to end at 3.1310/1330 compared with last Friday's close of 3.1360/1410. "The uptrend performance reflected optimism that Bank Negara will further relax its foreign exchange rules towards internationalisation of the ringgit," said an economist. (BTimes)

Oil prices fell Monday on uncertainty about the growth of the global economy, abundant crude supplies and a stronger dollar. Benchmark crude for October delivery fell 72 cents to settle at \$73.10 a barrel on the New York Mercantile Exchange. The price hit \$74.88 earlier in the day as Tropical Storm Danielle strengthened in the Atlantic, but forecasters now say it shouldn't affect Gulf of Mexico oil and gas production. Oil prices have fallen about \$9.26 since the beginning of August. (Star)

The yen rose to a eight-week high against the euro and the dollar climbed to a six-week high versus the common currency as concern the global economy is slowing boosted demand for refuge assets. The yen and dollar strengthened against most of their major counterparts before reports this week forecast to show the U.S. housing market is slowing and German business confidence dropped. The Australian dollar was near a one-month low against the yen after commodities and U.S. stocks declined, damping demand for growth-sensitive currencies. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10174.41	-39.21	-0.38	Nasdaq CI	2159.63	-20.13	-0.92
S&P 500	1067.36	-4.33	-0.40	FTSE 100	5234.84	39.56	0.76

Global and Local Headlines

U.S. stocks declined, with the Standard & Poor's 500 Index sliding to a five-week low, as speculation the economy may slip into another recession offset investor optimism amid more than \$1 trillion in takeovers this year. Two-year Treasury notes climbed, while oil fell for a fourth day. The S&P 500 lost 0.4 percent to 1,067.36 at 4 p.m. in New York, the lowest level since July 16. Two-year note yields slid 1 basis point to 0.49 percent, hovering near a record low of 0.4547 percent reached on Aug. 20. Oil dropped 71 cents, or 1 percent, to \$73.11 a barrel. (Bloomberg)

BHP Billiton Ltd., the world's largest mining company, may post a near-record annual profit tomorrow, helping to drive its US\$39 billion hostile takeover offer for Potash Corp. of Saskatchewan Inc. BHP, which announced a bid for Potash Corp. last week, will post net income of \$13.3 billion for the year ended June 30, according to the average estimate of 15 analysts compiled by Bloomberg. That compares with last year's \$5.9 billion and 2008's record \$15.4 billion. (Bloomberg)

Slower economic growth in China, India or other Asian economies would have a "serious negative impact" on Europe's growth, the **European Union's** economic chief said. Olli Rehn, the EU commissioner for economic and monetary affairs, said yesterday in a Bloomberg Television interview that a slowdown in the U.S. recovery and turmoil in the sovereign debt markets also could cause concern in Europe. Strengthening global growth helped Europe's economy show the fastest expansion in four years in the second quarter after the Greek budget crisis earlier damped confidence in the euro currency and forced governments to step up deficit-cutting measures. Euro-area growth is likely to decelerate in the second half of the year as signs of a slowdown in the U.S. and China dim export prospects. (Bloomberg)

A performing arts centre, a green shopping mall, marina, convention centre, and an IT hub to accommodate MSC-status offices are among the key components of **IJM Land Bhd's** (IJMLAND) RM4.3bil The Light Waterfront phase 2 project, located next to the Penang Bridge. IJM Land managing director Datuk Soam Heng Choon said this at a recent press conference to unveil the components of The Light Waterfront phase 2 project. The project's construction work would start in 2012 when the ongoing exercise to reclaim 210 acres was completed, he added. (Star)

Proton Holdings Bhd (PROTON) posted a 55% higher net profit of RM84.7mil for the first quarter ended June 30 from RM54.56mil it gained a year ago due to higher sales volume and improved profit margins from better product mix. It told Bursa Malaysia yesterday that revenue grew 24% to RM2.3bil for the period against RM1.85bil in the previous corresponding period while earnings per share was 15.4 sen versus 9.9 sen a year ago. Meanwhile, at a media briefing yesterday to announce the group's first quarter results, group managing director Datuk Syed Zainal Abidin Syed Mohamed Tahir said Proton's domestic sales grew 17% over the last three months compared with the corresponding period in 2009. (Star)

The Securities Commission has approved the unconditional takeover offer of plantation firm **Kretam Holdings Bhd** (KRETAM) by Nasalim Sdn Bhd, Santraprise Sdn Bhd and Lim Nyuk Sang at a price of RM1.43 per share of those shares not already held by them. AmInvestment Bank Bhd said in an announcement to Bursa Malaysia on behalf of the offerors that the offer would be opened until 5pm on Sept 14 unless revised or extended. (Star)

National telecommunications services provider **Telekom Malaysia Bhd's** (TM) net profit surged 25.1% to RM367.3mil for the six months ended June 31, 2010, compared with RM293.7mil in the previous corresponding period, on higher revenue for data and Internet and favourable foreign exchange gain. "The commendable first-half results were due to our ability to leverage on inherent strengths and scale opportunities in this competitive environment," group chief executive officer Datuk Seri Zamzamzairani Mohd Isa told a media briefing. "While we are seeing intense competition in the mobile and broadband market, TM continues to see strong growth in its broadband services." (Star)

CIMB Group (CIMB), the country's second largest banking group, will spend RM1.1 billion over the next five years to implement a unified banking platform across Malaysia, Indonesia, Singapore and Thailand. The so-called 1Platform project, which involves building a single operations and information technology (IT) framework, will help it operate as one entity across the region, its group chief executive officer Datuk Seri Nazir Razak said. (BTimes)

The country's biggest media group, **Media Prima Bhd** (MEDIA), staged a strong performance in its second quarter, posting more than a fourfold jump in net profit compared with the same quarter last year. This was mainly due to the consolidation of The New Straits Times Press (Malaysia) Bhd's results, prudent cost management and strategic planning that it started to meet the new shift in content creation, consumption and delivery. Media Prima made a net profit of RM36.65 million for the April-to-June quarter compared with RM8.46 million before. Revenue also more than doubled to RM395 million. (BTimes)

UMW Holdings Bhd (UMW), via its unit in China, is buying 46,700 preferred shares of Hilong Holdings Ltd for US\$24.7 million (RM77.31 million). The shares are equivalent to a 4.67 per cent stake in the company. "The proposed subscription will be a strategic investment for UMW China Ventures (L) Ltd and will create value, synergies and future business opportunities for UMW China. "It will broaden UMW China's investment base to a wider range of oilfield products and services in China, with an opportunity for expansion into Algeria, Nigeria, Ecuador, Kazakhstan, and other countries," said the company in a Bursa Malaysia filing yesterday. (BTimes)