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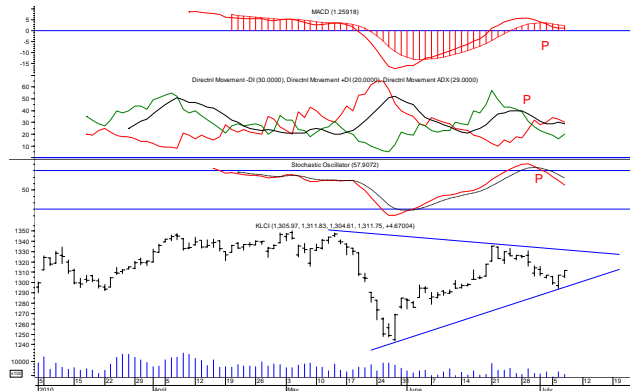
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MARKET FLASH

FBM KLCI

Thurs, 8 July 2010



MARKET STATISTICS (7/7/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,311.75	+ 4.67
FBM 100	8,626.02	+ 29.11
FBM ACE	3,757.37	- 9.63
Volume (m)	539.6	
Value (RMm)	919.1	
Up	275	
Down	307	
Unchanged	272	

FOREIGN

Nikkei	9,279.65	- 58.39
Hang Seng	19,857.07	- 227.05
STI	2,861.03	- 6.99
Shanghai CI	2,421.12	+ 11.69

BURSA MOVERS

Gainers	Close	Chg
GenP	6.66	+ 0.22
LPI	16.16	+ 0.20
PPB	16.10	+ 0.16
F & N	12.64	+ 0.16
Tanjong	17.66	+ 0.16

Losers	Close	Chg
Topglove	13.46	- 0.24
BAT	43.40	- 0.24
PetDag	9.28	- 0.22
HLFG	8.03	- 0.18
DFZ	3.29	- 0.13

Actives	Close	Chg
PJI	0.125	+ 0.02
Sinotop-OR	0.02	- 0.04
AirAsia	1.34	+ 0.02
Genetec	0.26	- 0.035
Talam	0.11	- 0.01

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,311.83 level.

Market Buying Strength :

About **91%** of total market volume on 7/7/2010 was on buying side compared to **88%** in the preceding trading day.

"Movement" in Strong Hands :

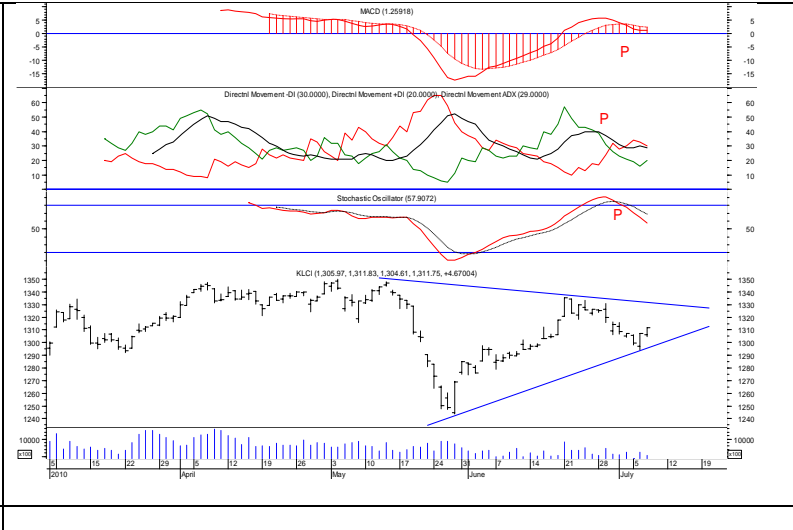
Strong hands were seen **acquiring** a small portion of stock positions on 7/7/2010.

Pivot Point Studies for Intra-Day :

For **Thursday (8/7/2010)**, 1st resistance @ 1,314.1 & 2nd resistance @ 1,316.4 ; 1st support @ 1,307.1 & 2nd support @ 1,302.4.

To read more

Technical Analysis – Daily FBM KLCI

	7/7/10	6/7/10	
Open	1,305.97	1,297.31	
High	1,311.83	1,307.22	
Low	1,304.61	1,294.37	
Close	1,311.75	1,307.08	
Volume	539.6 m	622.0 m	
Market Breadth			
Up	275	405	
Down	307	195	
Unchanged	272	273	
Indicators			
MACD	sell	sell	
DM Index	sell	sell	
Stochastics	sell	sell	

Range bound between 1,336 and 1,294

Market Commentary :

Led by bargain hunting activity in High-Tec and oil stocks with good valuation, DJIA had on 6/7/2010 gained 57.14 points to 9,743.62.

The double-digit gain in Wall Street helped to lift Bursa Malaysia in the opening bell on 7/7/2010, FBM KLCI only traded to a day low of **1,304.61** as some traders chose to play on selling side. However, weak follow thru selling pressure in area of **1,304.61** prompted renewed buying interest to roll in, this lifted stock index to a day high of **1,311.83** before settled at **1,311.75**.

The **rise of 4.67** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **IOI Corp** (up RM0.04), **TM** (up RM0.04), **Maybank** (up RM), **Sime Darby** (up RM0.14) and **Genting** (up RM0.11).

What was the chart saying

Market found a little follow thru buying interest above 1,300 level yesterday (7/7/2010) after the strong close in the preceding day (6/7/2010). The weaker buying on 7/7/2010 was somehow expected as many traders were seen not convinced of the 1,300 level cross over that occurred on 6/7/2010 while trying to analyse the truth behind the downside violation of 1,300 level on 5/7/2010. **Traders are beginning to get a little confuse of the market direction**

Well, it is hard to make a confirmation of where this market will be heading given such a mixed market scenario

Time is obviously needed here.

A game change to sideways was believed to have taken place on 6/7/2010, because **bearish traders were not seen taking advantage of the weak market situation on 5/7/2010 to aggressively press the stock index down in the following day on 6/7/2010 when they had the upper hand to do so. But, somehow these bearish traders were held up for certain reason(s) which they themselves knew best**

this could thus be interpreted as a signal to other traders **NOT** to get overly bearish about the market at this juncture.

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When can we see an end to this market uncertainty ? Firstly, the downside violation of 1,320 level on 29/6/2010 had already indicated higher degree of selling pressure in the market, and the external negative factor helped to expedite the selling pace to lower level (day low of 1,294.37 on 6/7/2010). Secondly, this market must re-establish itself above 1,300 level with good supportive play in coming days. **More importantly**, the negative image of market earlier attempt to “breakaway” to the upside on 29/6/2010 ended with greater selling pressure must be cleared mentally and **to follow by a higher market than 1,336 level.**

The way market carried itself on 6/7/2010 suggested that the 32 points sharp rise on 18/6/2010 & 21/6/2010 had more or less been **“corrected”**, and there is a high chance of seeing this market to test higher ground. **Of course, bearish traders’ would still be sceptical about the market potential to go very far up.**

With market traded down to a day low of 1,294.37 on 6/7/2010, what would likely happen to the market now ? Resistance pegged at 1,336 level with market support at 1,294 expected. **Market volume was smaller yesterday compared to that of preceding day (6/7/2010) with 275 advancers against 307 decliners..**

What were the strong hands doing

A check of internal market strength on 7/7/2010 showed that buying strength **improved marginally** with strong hand(s) seen **acquiring a small portion of buying positions**, the number of stock positions established on **7/7/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **37%** from **38%** in the preceding trading day (6/7/2010).

Conclusion :

Market outlook remained negative in the short term with settlement on 7/7/2010 below 50-day moving average.

The analysis of overall daily market action(s) on 7/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,311.83.

Today's Hot Pick – CMSB

	7/7/10	6/7/10
Open	2.35	2.29
High	2.39	2.35
Low	2.35	2.29
Close	2.35	2.34
Volume	2,118	2,951
Indicators	7/7/2010	6/7/2010
MACD	sell	sell
DM index	sell	sell
Stochastics	sell	sell

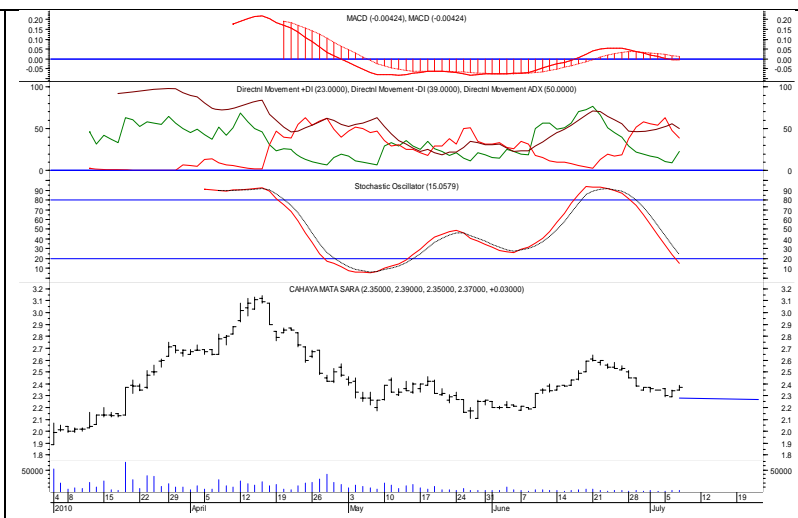


Chart wise : *Seen building a small platform*

CMSB (2852 - MainBoard) had on 7/7/2010 crossed over the immediate high of **RM2.37** (1/7/2010) to a day **high of RM2.39** before settled at **RM2.35**.

Next Potential Upside Target : With the upside violation of **RM2.37 level**, **CMSB** looked set to trade upward with next upside target at **RM2.50**.

Entry Level : Risk taking traders may establish buying position at **RM2.32** 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 **RM2.25** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – TM

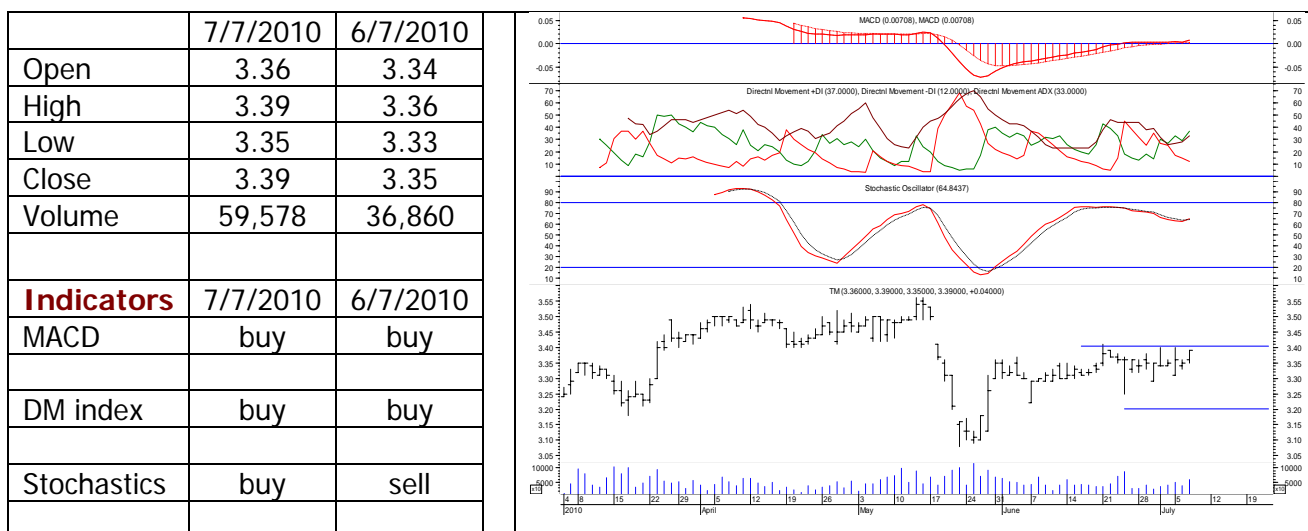


Chart wise : *Attempt(s) to break RM3.40 resistance n the making*

TM (4863 - MainBoard) had on 7/7/2010 tested previous day high of **RM3.39** before settled at day high.

Price Direction

In view of an increase in market participation, the stock could be expected to trade **sideways with upside bias** in coming day(s) with an overhead resistance pegged at **RM3.40** and support at **RM3.20**.

What to watch for

A turnaround of prices to close **above RM3.40** level would see an immediate short term reversing direction in the stock.

MAJOR NEWS

Commodity, Currency and Economic News

Oil prices climbed above US\$74 a barrel on Wednesday, as crude followed the U.S. stock market higher on encouraging earnings news. Benchmark crude rose \$2.09 to settle at \$74.07 a barrel on the New York Mercantile Exchange. In recent months oil prices have been influenced by the stock market as an indicator of economic recovery and potential demand for oil and gas. The Dow Jones Industrial Average was up about 200 points, or 2 percent, in afternoon trading. (Star)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed lower yesterday on a lack of fresh news to drive the market, a dealer said. He said market sentiment remained fragile as traders cautiously awaited the upcoming export data and the June Malaysian Palm Oil Board (MPOB) supply and demand data, due for release on Monday. The CPO futures for July 2010 was unchanged at RM2,398 a tonne, August 2010 declined RM25 to RM2,305 a tonne, September 2010 eased RM31 to RM2,270 per tonne and October 2010 slipped RM32 to RM2,250 per tonne. (BTimes)

The ringgit closed lower against the US dollar yesterday amid concerns over a slowdown in the US economic recovery, dealers said. At 5pm, the ringgit was quoted at 3.2185/2225 from the 3.2040/2070 on Tuesday. Dealers said the ringgit came under selling pressure as players paid more attention to the economic developments in the US. "The ringgit is highly sensitive to global sentiment particularly news emanating from the US," a dealer said. The US non-manufacturing sector grew at a slower-than-expected pace in May, according to the US Institute of Supply Management. The local unit ended weaker against the Singapore dollar at 2.3130/3165 from 2.3052/3095 on Tuesday and dipped against the Japanese yen to 3.6960/6015 from 3.6446/6493 previously. (BTimes)

Japanese machinery orders fell more than economists estimated in May, a sign that any rebound in business investment may be too weak to drive the economic recovery. Orders, an indicator of capital spending in three to six months, slid 9.1 percent from April, the Cabinet Office said today in Tokyo. It was the first decline in three months, and exceeded the median 3 percent drop in a Bloomberg News survey of 24 economists. As the global recovery helps companies including Elpida Memory Inc. return to profit, businesses have accumulated record stockpiles of cash. A more sustainable recovery depends on them deploying that money as the expansion shows signs of losing steam. (Bloomberg)

U.S. retailers' sales are growing at the fastest pace in four years, a sign consumers may be overcoming concern about unemployment and depressed home values. Sales probably expanded at an average monthly rate of 4 percent in the first five months of the retail fiscal year that began Jan. 31, the biggest gain since 2006, the International Council of Shopping Centers trade group said in advance of its June report tomorrow. Nordstrom Inc. and Kohl's Corp. are among chains that will report June sales increases at stores open at least a year, according to analysts' estimates. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10018.28	274.66	2.82	Nasdaq CI	2159.47	65.59	3.13
S&P 500	1060.27	32.21	3.13	FTSE 100	5014.82	49.82	1.00

Global and Local Headlines

Stocks surged, sending U.S. benchmark indexes up the most since May, while the dollar and Treasuries slid as growth in American retail sales bolstered optimism in the earnings season and investors speculated European banks will pass stress tests. The Standard & Poor's 500 Index extended a two-day rebound from a 10-month low, rallying 3.1 percent to 1,060.27 at 4 p.m. in New York for its best gain since May 27. The Stoxx Europe 600 Index climbed 1.4 percent as Spanish and Italian lenders surged. The Dollar Index lost 0.2 percent to a two-month low of 83.888 and 10-year Treasury yields rose six basis points to 2.99 percent. Oil climbed from a four-week low and copper jumped. (Bloomberg)

Japanese stocks rose, boosting the Nikkei by the most in more than a month, after a U.S. trade group said retail sales in the world's biggest economy grew at the fastest pace in four years. Toyota Motor Corp., which counts North America as its biggest market outside Japan, gained 2.6 percent. Sony Corp., which receives more than a fifth of its sales from the U.S., increased 3.2 percent. Canon Inc., a camera maker that receives about 27 percent of its revenue from the Americas, advanced 3.2 percent. Nintendo Co., the maker of the Wii game machine which counts America and Europe as its biggest market, advanced 2.1 percent in Osaka. (Bloomberg)

China plans to impose a new tax on coal, oil and gas extraction in western provinces, raising funds to develop its most restive region in a move that will reduce profits for PetroChina Co. and rival resource producers. The tax, introduced last month in Xinjiang, China's largest gas-producing province, will be broadened to include all western areas, the government said in a statement, citing comments by Premier Wen Jiabao at a meeting with officials yesterday. The levy will be based on prices instead of volume as first announced, the government said on its website. (Bloomberg)

Iceland's lenders may lose as much as US\$4.3 billion, equivalent to a third of the economy, after a court last month found that some foreign loans were illegal, said Finance Minister Steingrimur J. Sigfusson. "This is the largest single loan category of the banks, with a value of between 800 billion kronur and 900 billion kronur (\$7.2 billion)," Sigfusson said today. "If the capital on all these loans is written down by 40 percent to 60 percent, we're talking about enormous amounts." (Bloomberg)

The residential **property market**, especially landed residences, is on a recovery mode and prices of houses in some parts of Kuala Lumpur and Petaling Jaya have rebounded by 15% to 25% in the past one year, property realtors and consultants said. However, the high-rise condominium and office market is still facing an oversupply situation and will weigh down on the market at least over the next couple of months. CB Richard Ellis Sdn Bhd executive director Paul Khong said Malaysians still had money to invest and residential was the hot favourite at the moment. (Star)

Kencana Petroleum Bhd (KENCANA) said its wholly owned subsidiary Kencana HL Sdn Bhd has been awarded an RM201.1mil contract by Newfield Peninsula Malaysia Inc. (Star)

Carrefour Malaysia and Singapore have denied any store closure in the two countries. The company said in a statement yesterday that it was business as usual for every store. "In 2010, four Carrefour hypermarkets have been opened in Malaysia and another four are slated to be opened by the year-end," it said. There were rumours in the past few days that Carrefour SA was looking for buyers for its assets in Malaysia, Singapore and Thailand which could raise up to US\$1bil. The company was said to have been planning to sell its assets because it wanted to focus on its business in China and India, which offer high-growth potential. (Star)

The board of **EON Capital Bhd** (EONCAP), except for Ng Wing Fai of Primus Pacific Partners Ltd, has decided to table Hong Leong Bank Bhd's (HLB) RM5.06bil takeover offer to its shareholders at an extraordinary general meeting (EGM). The EGM is for shareholders to consider and approve as well as to empower the board to accept or reject HLB's offer to acquire the entire assets and liabilities of EON Cap at RM7.30 per share in cash, said EON Cap in its filing with Bursa Malaysia yesterday. This confirmed StarBiz story yesterday that the board would meet to discuss the possibility of carrying on with the EGM despite Primus' objection to the proposed deal. (Star)

AirAsia Bhd (AIRASIA) that has invested RM10mil for its new booking system, will see the increase of its booking capacity and more creative marketing promotions post-implementation of the new system effective July 11. Its regional head of commercial Kathleen Tan said the new system would allow the airlines to book up to almost a million segments a day against the current capability of 480,000 segments a day or 20,000 per hour. A segment constitutes of a booking of one route for instance Kuala Lumpur-Bangkok. "Commercially, the new system will allow us to do creative marketing for different types of targeted customers such as promotions for senior citizens, buy one free one, multi currency services and free seat log in during normal hours," she told StarBiz. (Star)

The government has put off implementation of the **Goods and Services Tax** (GST), which was scheduled for 2011, indefinitely, says Second Finance Minister Datuk Seri Ahmad Husni Mohamad Hanadzlah. The Cabinet has yet to decide on a specific timeframe for the implementation as it wants to ensure the welfare of the people is first protected, he said. "The implementation of GST next year may be off," he told reporters at the National Taxation Conference 2010 in Kuala Lumpur yesterday. (BTimes)

Soft drink and dairy product group **Fraser & Neave Holdings Bhd** (F&N) is on the lookout for merger and acquisition (M&A) opportunities after raking in RM863 million from selling its glass business. "The group will seek and evaluate expansion initiatives. We have between 12 and 24 months before we decide what is the best option to invest the money," chief executive officer Tan Ang Meng said in Kuala Lumpur yesterday. F&N sold its entire stake in glass manufacturing arm Malaya Glass Products Sdn Bhd (MGP) to Berli Jucker Public Co Ltd (BJC) and ACI International Pty Ltd for US\$221.7 million (RM712 million). (BTimes)

CapitaMalls Malaysia Trust has fixed the prices in its initial offering for institutional investors at RM1 and for retail investors at 98 sen a unit, according to a statement to the Singapore stock exchange. (BTimes)