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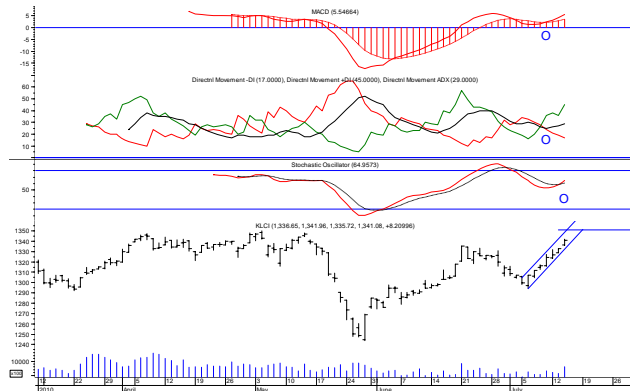
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MARKET FLASH

FBM KLCI

Thurs, 15 July 2010



MARKET STATISTICS (14/7/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,341.08	+ 8.21
FBM 100	8,823.87	+ 55.25
FBM ACE	3,785.44	+ 16.80
Volume (m)	801.6	
Value (RMm)	1,537.5	
Up	506	
Down	194	
Unchanged	269	

FOREIGN

Nikkei	9,795.24	+ 258.01
Hang Seng	20,560.81	+ 129.75
STI	2,952.81	+ 24.11
Shanghai CI	2,470.44	+ 20.15

BURSA MOVERS

Gainers	Close	Chg
Panamy	18.88	+ 0.58
Nestle	36.00	+ 0.34
LPI	17.62	+ 0.32
MMosaic	2.20	+ 0.32
KFC	10.92	+ 0.30

Losers	Close	Chg
Jetson-LA	1.11	- 0.32
SMI-LA	0.415	- 0.285
Jetson	1.11	- 0.22
Shell	10.70	- 0.10
RCI	1.70	- 0.10

Actives	Close	Chg
ScomiMR	0.52	+ 0.03
TimeCom	0.52	+ 0.02
Scomi	0.405	- 0.005
Maybank	7.71	+ 0.07
IRCB	0.615	+ 0.025

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,341.96 level.

Market Buying Strength :

About **85%** of total market volume on 14/7/2010 was on buying side compared to **86%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a small portion of stock positions on 14/7/2010.

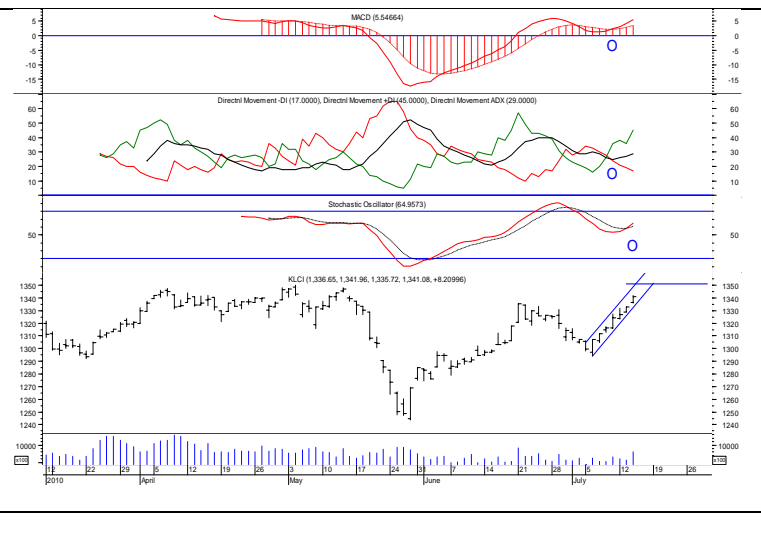
Pivot Point Studies for Intra-Day :

For **Thursday (15/7/2010)**, 1st resistance @ 1,343.4 & 2nd resistance @ 1,345.8 ; 1st support @ 1,337.2 & 2nd support @ 1,333.3.

To read more

Technical Analysis – Daily FBM KLCI

	14/7/10	13/7/10
Open	1,336.65	1,329.87
High	1,341.96	1,332.87
Low	1,335.72	1,328.71
Close	1,341.08	1,332.87
Volume	801.6 m	574.3 m
Market Breadth		
Up	506	363
Down	194	284
Unchanged	269	289
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Hurdle at 1,350 expected TODAY

Market Commentary :

Encouraged by better than expected earnings result from Alcoa Inc. and CSX Corp. in the 2nd quarter earnings season, DJIA had on 13/7/2010 registered another gain of 146.75 points to close at 10,363.02.

The triple-digit gain in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 14/7/2010, FBM KLCI gapped up with a day low of **1,335.72** as traders rushed to establish stock positions in anticipation of higher market. Under greater buying support, stock index rose above immediate high of 1,335.31 (21/6/2010) to reach highest high of **1,341.96** since 14/5/2010 before settled at **1,341.08**.

The **rise of 8.21** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.13), **IOI Corp** (up RM0.05), **Maybank** (up RM0.07), **Axiata** (up RM0.02) and **HLBank** (up RM0.04).

What was the chart saying

Market found better follow thru buying interest above 1,300 level yesterday (14/7/2010) after the up close scenario in the preceding day (13/7/2010). The **increase** in buying on 14/7/2010 was not a surprise as risk taking traders that had missed their buying entries in area of 1,294 on 6/7/2010 wanted a piece of action in the market instead of staying sidelines. These traders were compelled to make the move even though they were still not convinced of the market strength that had taken this market to this high even since the 1,300 level cross over on 6/7/2010.

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**

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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.

So, with market broke above 1,335.31 (21/6/2010) into 1,340 zone on 14/7/2010, did it mean an end to this market uncertainty ? To the least extent, we saw a market recovering back up above 1,320 level which was violated on the downside on 29/6/2010, this constituted an encouraging sign. Furthermore, the market volume at **801.6** shares on 14/7/2010 was also higher than the 20-day moving average market volume of **614 million** shares. **An end to market uncertainty ?** Not sure about that; but, the better buying interest on 14/7/2010 should pave the way for more upside.

The higher market play on 14/7/2010 was considered quite decisive on a relative basis. **Unless, the market is approaching a resistance selling area; otherwise, this kind of market volume day should provide another day of follow thru buying support.**

Ladies & gentlemen, 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.**

On 12/7/2010, the market hit the downward sloping upper line of the triangle pattern, followed by a higher high the next day (13/7/2010). **Given such a friendly market scenario, traders should be induced to buy in early part of trading session today before deciding on profit taking in the afternoon session ahead of weekend.**

Where can we expect to see resistance in this market ? 1,350 level is envisaged as a hurdle for KLCI in the immediate short term. And, given the recent run up for 7 consecutive days, there is a high chance that this market would run into resistance selling pressure in coming 2 days (15/7/2010 & 16/7/2010). **After a small round of pause, this market would be expected to re-gear itself above 1,350 level.**

What were the strong hands doing

A check of internal market strength on 14/7/2010 showed that buying strength **improved** with strong hand(s) seen **acquiring a portion of buying positions**, *the number of stock positions established on **14/7/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **18%** from **20%** in the preceding trading day (13/7/2010).*

Conclusion :

Market outlook got friendlier in the short term with settlement on 14/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 14/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,341.96.

Today's Hot Pick – Evergreen

	14/7/2010	13/7/2010
Open	1.53	1.51
High	1.64	1.53
Low	1.52	1.50
Close	1.62	1.50
Volume	19,535	1,210
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

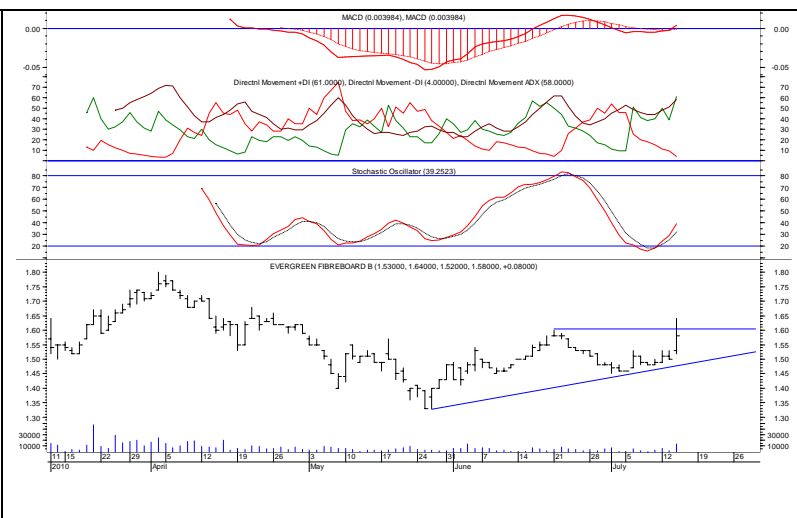


Chart wise : *Target RM1.70 level seen in the making.....*

Evergreen (5101 - MainBoard) had on 14/7/2010 penetrated RM1.60 hurdle on an intra-day basis to a day **high of RM1.64** before settled at **RM1.62**.

Next Potential Upside Target : With the upside violation of **RM1.60** level, **Evergreen** would likely to trade upward with next upside target at between **RM1.70 – RM1.83**.

Entry Level : Risk taking traders may establish buying position at **RM1.58** on a pull back.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM1.52** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – AMMB

	14/7/2010	13/7/2010
Open	5.10	5.09
High	5.22	5.09
Low	5.08	5.06
Close	5.16	5.09
Volume	146,039	24,898
Indicators	14/7/2010	13/7/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

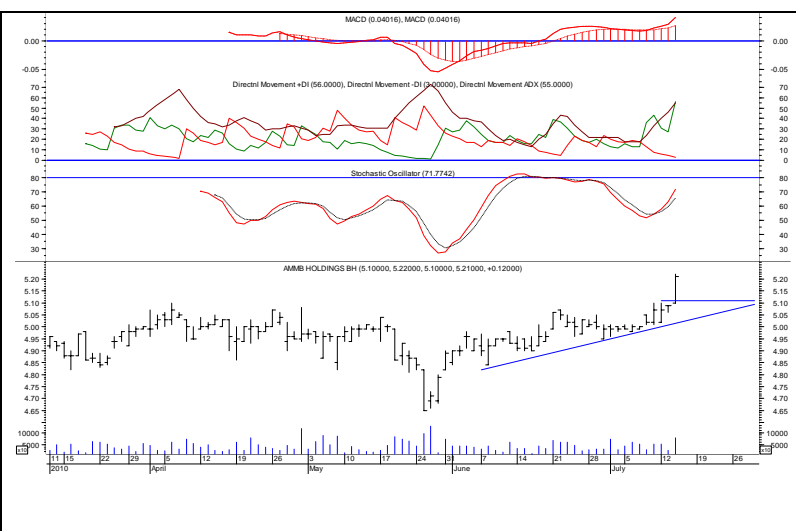


Chart wise : Resistance at RM5.40 expected.....

AMMB (1015 - MainBoard) had on 14/7/2010 gapped up to cross over the immediate high of RM5.10 (12/7/2010) to reach highest high of RM5.22 since 27/1/2010 before settled at RM5.16.

Price Direction

In view of an increase in market participation, the stock could be expected to trade upward in coming day(s) with an overhead resistance pegged at RM5.40 and support at RM5.00.

What to watch for

A turnaround of prices to close below RM4.50 level would see an immediate short term reversing direction in the stock.

Active Stock Review – **Kossan Rubber Bhd**

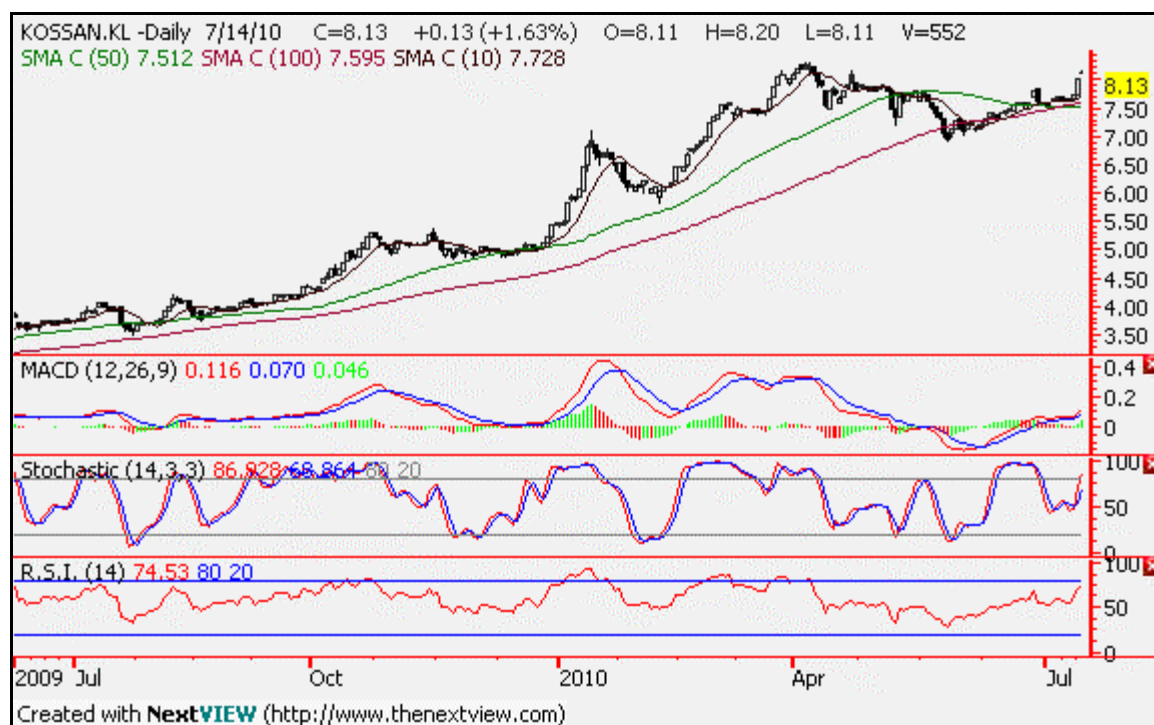


Chart wise

HOLD.

Kossan Rubber Bhd (7153-Main Market-Industrial Products)

Kossan Rubber price has climbed starting with an uptrend that only came in late May. After lingering just above the RM7.60 level for a while, the stock price shot up two day's ago and this pushed both its main indicators into the overbought zone.

However, there are still no signs of weakness yet, leaving hope that the extended over bought run would continue. The stock is still worth to hold for a little longer until the consolidation eventually sets in. The support is at RM 7.60, while the resistance is at RM8.30.

MAJOR NEWS

Commodity, Currency and Economic News

Singapore's economy may expand at a record pace this year after the government substantially raised its growth forecast yesterday on the back of a strong first half. Growth is expected to rise to between 13% and 15% for the full year, up from the previous forecast of 7% to 9%, putting 2010 growth within reach of the previous record of 13.8% in 1970, according to the Singapore Straits Times. (Star)

Sales at U.S. retailers dropped in June for a second month, indicating the economic recovery dissipated heading into the second half of 2010. Purchases decreased 0.5 percent, more than projected, after declining 1.1 percent in May, Commerce Department figures showed today in Washington. Excluding auto dealers, demand fell 0.1 percent, matching the median forecast of economists surveyed by Bloomberg News. (Bloomberg)

The ringgit appreciated against the US dollar yesterday on commercial buying, mostly spurred by interest in the local bourse, a dealer said. At 5pm, the ringgit was higher at 3.1955/1985 from 3.2055/2085 at Tuesday's close. The dealer said a strong start to the US corporate earnings season drove risk appetite and also helped the ringgit, which has climbed 7.1 per cent against the greenback to date. A surprise widening of the US trade deficit in May, also weighed on the dollar, he added. (BTimes)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives ended higher yesterday on low stock expectation and gains in the crude oil price, dealers said. The crude oil price was hovering at a two-week high of US\$77 (US\$1.00 = RM3.26) per barrel. At close, the July 2010 contract closed RM11 higher at RM2,460 a tonne, August 2010 added RM28 to RM2,423, September gained RM28 to RM2,381 a tonne and October 2010 increased RM28 to RM2,363. Volume, however, dropped to 10,665 lots from 13,841 lots on Tuesday and open interest rose to 72,521 contracts from 72,201 contracts previously. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10366.72	3.70	0.04	Nasdaq CI	2249.84	7.81	0.35
S&P 500	1095.17	-0.17	-0.02	FTSE 100	5253.52	-17.50	-0.33

Global and Local Headlines

Singapore may be forced to consider allowing further gains in its currency after a record first-half expansion put the economy in contention for the world's fastest-growing this year. The government yesterday reported an 18.1 percent surge in gross domestic product in the first half, unprecedented in data going back to 1975. Record tourist arrivals are benefitting companies from Singapore Airlines Ltd. to casino operator Las Vegas Sands Corp., while a two-year-low jobless rate has helped spur a 38 percent jump in house prices in the past 12 months. The Monetary Authority of Singapore, which revalued the currency in April, may need to repeat the move at the next meeting in October without a cooling in growth, according to HSBC Holdings Plc. The boom is a reflection of a strengthening across Asia that's prompted policy makers from Thailand to Taiwan, Malaysia and South Korea to boost interest rates in recent weeks. (Bloomberg)

Federal Reserve officials saw no need to boost stimulus to the economy while trimming their forecasts for growth and noting that risks to the recovery had increased, minutes of their June meeting showed. "The economic outlook had softened somewhat and a number of members saw the risks to the outlook as having shifted to the downside," minutes released today in Washington said. "The changes to the outlook were viewed as relatively modest and as not warranting policy accommodation beyond that already in place." Slowing inflation, constrained household spending and contracting credit prompted Fed policy makers last month to restate a pledge to keep the benchmark lending rate at around zero for "an extended period," the Fed's statement showed. The minutes indicated that U.S. central bankers were concerned about lingering high unemployment and risks that inflation could decelerate further. If the outlook worsened, the Federal Open Market Committee would need to consider whether additional stimulus was appropriate, the minutes said. (Bloomberg)

American International Group Inc (AIG) Chairman Harvey Golub is stepping down from the bailed-out insurer after feuding with Chief Executive Officer Robert Benmosche over the divestiture of an Asia division. Golub resigned effective immediately, New York-based AIG said late yesterday in a statement. He was replaced as chairman by Steve Miller, 68, an AIG director. Benmosche had threatened during a June 25 board meeting to resign unless Golub leaves the firm, according to two people with knowledge of the matter. Golub sparred with Benmosche over the divestiture of AIG's main Asia unit after the collapse of a deal to sell the business to Prudential Plc for \$35.5 billion, the people said. (Bloomberg)

Dolomite Corp Bhd's (DOLMITE) wholly-owned subsidiary has received a letter of award worth RM60.5mil to construct a 3,060-student capacity hostel for Universiti Technical Malaysia in Malacca. In a filing with Bursa Malaysia, the company said the contract was awarded by Pengurusan Konsesi Asrama Sdn Bhd (PEKA) to Dolomite Engineering Sdn Bhd, a wholly-owned subsidiary of Dolomite Bhd, which in turn is a wholly-owned subsidiary of DCB. It said the project was for a period of 18 months from the date of possession of site. (Star)

Nikko Electronics Bhd's (NIKKO) board of directors has decided not to appeal against the Securities Commission's (SC) rejection of the company's proposed restructuring scheme. This followed the decision by the Impian group of companies, the supposed white knight, to also not appeal against the SC's decision, which was premised on non-compliance with the regulator's equity guidelines. (Star)

Turnkey water and environmental specialist **WWE Holdings Bhd's** (WWE) proposed restructuring scheme has been rejected by the Securities Commission (SC) for non-compliance to certain issues related to equity guidelines. HwangDBS Investment Bank Bhd and Hong Leong Investment Bank Bhd said in an announcement on behalf of the company's board that the SC objected on the grounds that the assets to be acquired or injected must comply with profit requirements and had a healthy financial position. (Star)

Damansara Realty Bhd (DBHD) is deferring its application to the relevant authorities for the proposed corporate restructuring pending certain issues to be resolved by it and Johor Corp. MIDF Amanah Investment Bank Bhd said in an announcement on behalf of Damansara Realty's board that this pertained to the assets to be acquired by the latter. "The company will make the appropriate announcement upon the submission of the applications to the relevant authorities for the proposed corporate restructuring in due course," the investment bank said. (Star)

Tenaga Nasional Bhd (TENAGA) posted a net profit of RM1.11bil for its third quarter (Q3) ended May 31, thanks to higher demand for power, particularly from the industrial and commercial sectors. The net earnings growth of 8.2% year-on-year (y-o-y) was also supported by foreign exchange translation gain of RM569.1mil. This happened as the ringgit appreciated against major currencies, especially the US dollar and Japanese yen, during the quarter in review. (Star)

The expansion of the Penang International Airport will include a privatised project to build a business-class hotel on top of a four-storey carpark, extend the floor space of the terminal to 36,000 sq m, and install a multiple aircraft ramp system. **Malaysia Airports Holdings Bhd** (MAHB) senior airport manager Abdul Wahab Mohd Yusof told StarBiz that MAHB was now inviting tenders for the privatised hotel and carpark project. "The project is to be located at the existing 600-bay carpark. The job is to build a four-storey carpark with some 2,000 bays and a business-class hotel," he said. The project, scheduled for completion at the end of 2011, was not part of the RM250mil airport expansion plan, he said, adding that the design for phases one, two and three of the expansion programme had been finalised and would be tendered soon. (Star)

Keck Seng (Malaysia) Bhd (KSENG) has proposed to seek a mandate from shareholders on a possible disposal of its equity interest in Parkway Holdings Ltd, in view of recent general offers made by Integrated Healthcare and RHC Healthcare. Its subsidiary, Keck Seng Investment Pte Ltd, holds 35.5 million or 3.13 per cent interest in Parkway, which is listed on the Singapore Exchange. In a filing to Bursa Malaysia, Keck Seng explained that Parkways shares were held as a long-term investment. Integrated Healthcare, which owns a 23 per cent interest in Parkway, had expressed interest in acquiring 313 million Parkway shares at a price of S\$3.78 per share. (BTimes)

UMW Toyota Motor Sdn Bhd will invest part of its RM170 million capital expenditure (capex) to prepare itself to produce the Toyota Camry in Malaysia in two years, a move that will generate more jobs for local car parts manufacturers. "We are now doing technical studies on the project," UMW Toyota Motor deputy chairman Takashi Hibi told newsmen after hosting a media visit to its manufacturing facility in Shah Alam, Selangor, yesterday. The move will also help Toyota Motor Corp to free up some capacity at its Thailand facility, should the group decide to move production of some cars to Thailand. In a Bloomberg report, Kyoichi Tanada, president of Toyota Motor Thailand Co, said it is consulting with the headquarters and a final decision may take as long as two years. (BTimes)