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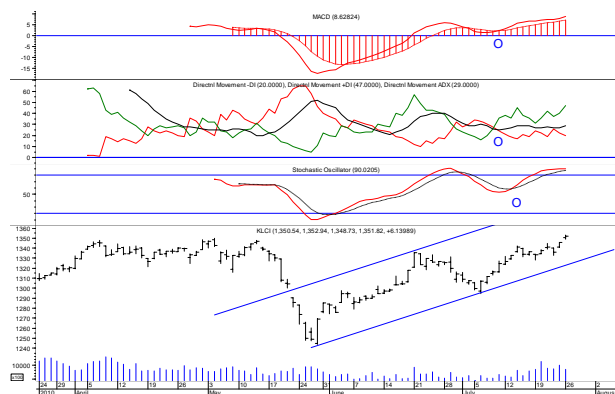
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MARKET FLASH

FBM KLCI

Tues, 27 July 2010



MARKET STATISTICS (26/7/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,351.82	+ 6.14
FBM 100	8,899.04	+ 28.92
FBM ACE	3,802.01	- 14.00
Volume (m)	850.6	
Value (RMm)	1,122	
Up	336	
Down	355	
Unchanged	274	

FOREIGN

Nikkei	9,503.66	+ 72.70
Hang Seng	20,839.91	+ 24.58
STI	2,966.99	- 6.48
Shanghai CI	2,588.68	+ 16.66

BURSA MOVERS

Gainers	Close	Chg
Nestle	37.24	+ 0.26
HL Ind	4.94	+ 0.24
CIMB	7.50	+ 0.24
GAB	8.00	+ 0.21
KLK	16.98	+ 0.18

Losers	Close	Chg
CCB	5.77	- 0.37
F & N	14.70	- 0.30
Help	4.06	- 0.27
BAT	43.60	- 0.26
Tanjong	17.74	- 0.26

Actives	Close	Chg
Tiger-OR	0.01	+ 0.005
Timecom	0.595	=
Time	0.445	- 0.01
IFCAMSC	0.195	- 0.025
Talam	0.115	=

Today's Market Direction :

FBM KLCI would likely to trade **above** **1,352.94** level.

Market Buying Strength :

About **65%** of total market volume on 26/7/2010 was on buying side compared to **97%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a portion of stock positions on 26/7/2010.

Pivot Point Studies for Intra-Day :

For **Tuesday (27/7/2010)**, 1st resistance @ **1,353.6** & 2nd resistance @ **1,355.3** ; 1st support @ **1,349.3** & 2nd support @ **1,346.9**.

To read more

Technical Analysis – Daily FBM KLCI

	26/7/2010	23/7/2010
Open	1,350.54	1,341.04
High	1,352.94	1,345.68
Low	1,348.73	1,340.78
Close	1,351.82	1,345.68
Volume	850.6 m	993.3 m
Market Breadth		
Up	336	491
Down	355	268
Unchanged	274	285
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

Strong hurdle at 1,365 seen

Market Commentary :

Led by General Electric (GE)'s move to raise its quarterly dividend by 20%, investors received a shot of confidence to establish stock positions, DJIA had on 23/7/2010 gained 102.32 points to close at 10,424.62.

The triple-digit gains in Wall Street sent a positive trading sentiment over to Bursa Malaysia in the opening bell on 26/7/2010, FBM KLCI gapped up with a day low of **1,348.73** as some traders rush to acquire stock in anticipation of higher market. Under greater buying support, stock index crossed over immediate high of 1,349.92 (4/5/2010) to reach a high of **1,352.94** before settled at **1,351.82**.

The **rise of 6.14** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM (up RM0.02)**, **Genting (up RM0.05)**, **CIMB (up RM0.24)**, **HL Bank (up RM0.04)** and **KLK (up RM0.18)**.

What was the chart saying

Market saw another upward move to trade higher yesterday (26/7/2010) with a creep above 1,350 level on positive external market development plus the up close scenario in the preceding day (23/7/2010). This higher market move was basically expected because the way KLCI carried itself on 23/7/2010 had somehow portrayed its next likelihood move on 26/7/2010.

On 23/7/2010, the market was generally perceived to be taking a dip first before making a comeback **A dip first, why ?** Because there was quite a strong stock liquidation pressure on 22/7/2010 **A comeback, why ?** Due to the positive settlement on 21/7/2010 in addition to the ability on the part of stock index to stay above 1,324 level on 19/7/2010 and 20/7/2010. **What happened last Friday (23/7/2010) was exactly like we had said in our market report dated 23/7/2010** "In general, traders don't like to play an aggressive buying game especially

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when there is no good news around to lend them a helping hand. Instead of bulldozing the market to the upside, traders will choose to unleash the tightened rope temporarily to release another portion of emotional buying pressure (weak hands).” Thus, the overnight triple-digit rise of 201 points in Wall Street came in the right time to provide the necessary trigger, and that was what our local market was looking for in order to create a more convincing power among traders and investors to establish stock positions.

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 million 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.

How supportive can this 1,324 level be in keeping this market afloat ? Well, the lows in the past 2 days (19/7/2010 —20/7/2010) were not lower than 1,324, this somehow gave an indication that there was a general friendly expectation at 1,324. The ability to bounce off 1,324 plus a higher high under greater market volume should reinforce what had taken place on 14/7/2010. Moreover, the retreat from 1,341 to 1,327 (19/7/2010) helped to alleviate the uncomfortable emotional pressure that had built up from low of 1,294 (6/7/2010) to 1,341 (14/7/2010).

With a higher high market scenario on 20/7/2010, **where can we expect to see resistance in this market ?** 1,365 level is envisaged as a hurdle for KLCI in the immediate short term.

What were the strong hands doing

A check of internal market strength on 26/7/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, the number of stock positions established on 26/7/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 33% from 38% in the preceding trading day (23/7/2010).

Conclusion :

Market outlook remained friendly in the short & medium term with settlement on 26/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 26/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,352.94

Today's Hot Pick – Green Packet

	26/7/2010	23/7/2010
Open	0.985	1.01
High	1.04	1.02
Low	0.985	0.975
Close	0.985	0.985
Volume	96,324	10,959
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

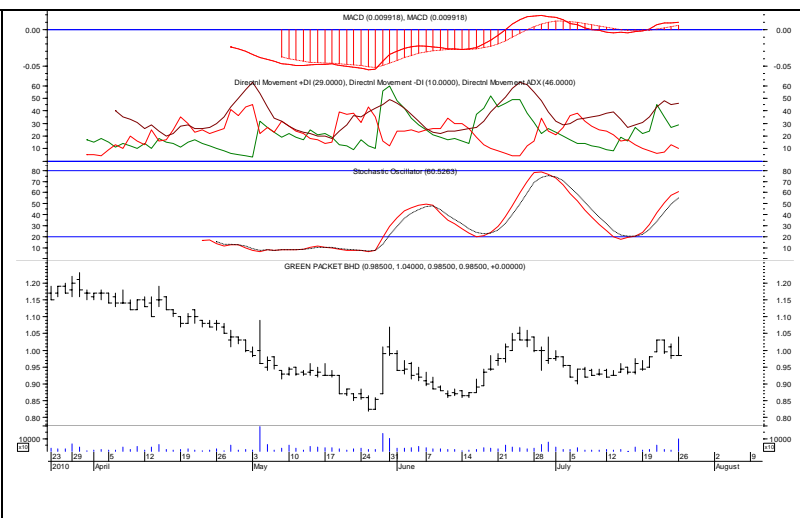


Chart wise : Higher price seen in the making after a retreat.....

Green Packet (0082 - MainBoard) had on 26/7/2010 crossed over the immediate high of RM1.03 (22/7/2010) to a day high of RM1.04 before settled at RM0.985.

Next Potential Upside Target : An upside violation of RM1.03 level again would likely see **Green Packet** to trade upward with next upside target at RM1.28.

Entry Level : Risk taking traders may establish buying position at RM0.96 as a pull back is likely before making next attempt(s) to go higher.

Stop Loss Level : Once a buying position is being established, a stop loss at RM0.91 level must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – Jadi

	26/7/2010	23/7/2010
Open	0.26	0.25
High	0.265	0.26
Low	0.255	0.25
Close	0.26	0.25
Volume	120,774	129,364
Indicators	26/7/2010	23/7/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

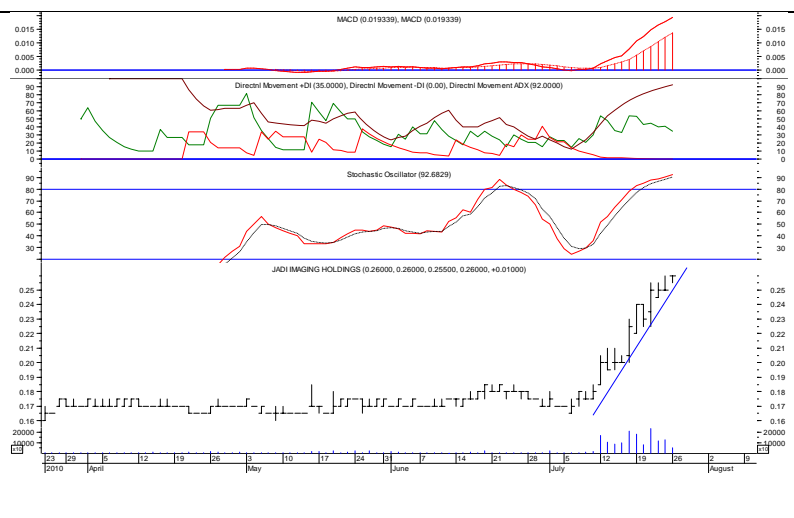


Chart wise : Above upward sloping trend line

Jadi (7223 - MainBoard) had on 26/7/2010 traded higher to a day high of **RM0.265** before settled at **RM0.26**.

Price Direction

In view of **a decrease** in market participation, the stock could be expected to trade **sideways** in coming day(s) with an overhead resistance pegged at **RM0.30** and support at **RM0.22**.

What to watch for

A turnaround of prices to close **below RM0.22** level would see an immediate short term reversing direction in the stock.

Active Stock Review – **Tanjong Offshore Bhd**



Chart wise

Take profit.

TOFFGS (7228-Main Market- Trading/Services) - RM1.53

TOFFGS experienced a breakout last week after Ekuinas bought a stake in the company. Subsequently, it broke out of its rounding bowl formation to reach a high of RM1.59, before pulling back to its current level.

Having surged ahead strongly, a correction is in the pipeline as investors digest the gains. Hence it is time to Take Profit on TGOFFS.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil futures prices on Bursa Malaysia Derivatives fell slightly yesterday in reaction to weaker export data released yesterday, dealers said. Cargo surveyor Intertek Testing Services estimated a drop by 4 per cent in the export of palm oil products for the first 25 days of July at 1,074,329 tonnes compared with 1,120,563 tonnes shipped in the same period of June. Meanwhile, Societe Generale de Surveillance estimated exports of palm oil products for the period fell 0.9 per cent to 1,103,439 tonnes from 1,113,923 tonnes previously. At the close, August 2010 was RM8 lower at RM2,550 a tonne, while September 2010 eased RM19 to RM2,491. Both October 2010 and November 2010 depreciated by RM25 to RM2,473 and RM2,470 a tonne, respectively. Volume however rose to 18,236 lots from 15,995 lots last Friday while open interest rose to 68,489 contracts from 68,218 previously. (BTimes)

The ringgit was traded higher against the US dollar yesterday as the result of the European banks stress test provided a positive impetus to the currency, said dealers. At 5pm, the ringgit was quoted at 3.1970/1000 to a US dollar compared with 3.1985/2015 at Friday's close. One of the dealers said most European banks passed the stress tests, thus boosting investors confidence in the financial market. The local unit however weakened against the Singapore dollar to 2.3390/3433 from 2.3324/3366 last week and rose against the Japanese yen to 3.6680/6739 from 3.6710/6765 on Friday. (BTimes)

Oil prices fell toward \$78 a barrel Monday as the threat to crude production in the Gulf of Mexico from tropical storm Bonnie diminished and investors awaited economic data from the United States. By early afternoon in Europe, benchmark crude for September delivery was down 56 cents at \$78.42 a barrel in electronic trading on the New York Mercantile Exchange. The contract fell 32 cents to settle at \$78.98 on Friday. (Star)

Japan's recovery is being undermined by the popularity of its currency. The yen has averaged 90.93 against the dollar in 2010, putting it on course for its strongest year against the U.S. dollar since currencies began trading freely in 1971, according to data compiled by Bloomberg. It traded at 87.19 yesterday. That will limit profit at Toyota Motor Corp., Panasonic Corp. and other companies scheduled to report earnings over the next two weeks even as exports have climbed for the past seven straight months. South Korean competitors including Samsung Electronics Co. and Hyundai Motor Co. have been the winners as the won fell 8.5 percent against the yen this year, making their goods cheaper overseas relative to Japanese exports. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10525.43	100.81	0.97	Nasdaq CI	2296.43	26.96	1.19
S&P 500	1115.01	12.35	1.12	FTSE 100	5315.12	38.50	0.72

Global and Local Headlines

U.S. stocks rose, erasing the Dow Jones Industrial Average's 2010 loss, and copper advanced to a 10-week high as the dollar fell after new home sales beat estimates and FedEx Corp. boosted its forecast. The Dow climbed 100.81 points, or 1 percent, to 10,525.43 at 4 p.m. New York time. The Standard & Poor's 500 Index gained 1.1 percent to the highest level since June 18, driven by homebuilders and transportation companies. Copper futures increased 1.2 percent, while the dollar weakened against all 16 of its most-traded counterparts including the euro and yen.. (Bloomberg)

The Basel Committee on Banking Supervision softened some of its proposed capital and liquidity rules while introducing new restrictions on how much lenders can borrow in order to rein in their risk-taking. The panel agreed yesterday to allow certain assets, including minority stakes in other financial firms, to count as capital, according to a statement. The committee set a leverage ratio to apply to banks globally for the first time, which could become binding by 2018, pending further adjustments to the method of calculating banks' assets. (Bloomberg)

Asian stocks rose yesterday, driving the MSCI Asia Pacific Index to a one-month high, after most European banks passed stress tests, boosting optimism over the health of the global economy. Standard Chartered Plc, a London-based bank, advanced 1.2 percent in Hong Kong. Canon Inc., which counts Europe as its biggest market, climbed 2.5 percent in Tokyo trading. LG Electronics Inc. jumped 4.2 percent in Seoul after the stock was upgraded at JPMorgan Chase & Co. Inpex Corp., Japan's largest energy explorer, surged 4.9 percent after Deutsche Bank AG reiterated its "buy" call on the stock. (Bloomberg)

Japanese stocks fluctuated today as Toyota Motor Corp. dropped on a stronger yen, while Yahoo Japan Corp. gained after a brokerage raised its rating. Toyota, the largest carmaker worldwide, lost 1.3 percent. Machinery makers Kawasaki Heavy Industries Ltd. and THK Co. declined at least 1.4 percent as their ratings were cut at Nomura Holdings Inc. Yahoo climbed 2.7 percent after Mitsubishi UFJ Morgan Stanley Securities Co. raised its rating on the operator of Japan's most-visited Internet portal. Seiko Epson Corp. advanced 2.5 percent after the Nikkei newspaper said the printer maker may have posted its first group operating profit in two years in the first quarter. (Bloomberg)

Vermicelli maker **KBB Resources Bhd** (KBB) yesterday appointed property developer Datuk Chin Seak Huat its new chief executive officer, and told the stock exchange that seven of its subsidiaries – including the main unit Kilang Bihun Bersatu Sdn Bhd – had defaulted in "some banking facilities repayment" since July 21. "KBB has initiated a debt restructuring plan to formulate a comprehensive plan for the group," it said, adding that an application had been made to the Corporate Debt Restructuring Committee (CDRC). (Star)

Troubled firm **Kenmark Industrial Co Bhd** (KENMARK), which has informed Bursa Malaysia that it will miss the July 31 deadline to submit its audited financial statement for the year ended March 31, 2010 (AFS FY10), said yesterday it was unable to say when it will be able to do so. "The directors are unable to advise at this juncture as to when the AFS FY2010 can be finalised or issued but will endeavour to have the same issued as soon as possible," it said. (Star)

Iris Corp Bhd (IRIS) told Bursa Malaysia that the Indra-Iris AFC consortium, comprising its wholly-owned unit Iris Information Technology Systems Sdn Bhd and Indra Sistemas S.A., had entered into an agreement with Syarikat Prasarana Negara Sdn Bhd to design, manufacture, deliver, install, test, commission and warranty the automatic fare collection system for the Kelana Jaya light rail transit line and Ampang LRT line. It said the salient terms of the agreement remained the same as per the letter of award, which had been announced on April 6. (Star)

Kencana Petroleum Bhd (KENCANA), which yesterday received shareholders approval to acquire drilling rig, KM-1, expects the cost of acquisition to be US\$150mil. Chief executive officer Datuk Mokhzani Mahathir said the acquisition, to be made by Kencana Petroleum's wholly owned subsidiary Kencana Petroleum Ventures Sdn Bhd (KPV), is expected to be completed in the first week of August. He said the drilling rig was scheduled to be handed over to their client on Aug 15. It is expected to be launched in Lumut, Perak, on Aug 9. (Star)

PacificMas Bhd (PACMAS) has decided to stop negotiating with Tokio Marine Asia Pte Ltd on the proposed disposal of its entire equity interest in wholly-owned subsidiary The Pacific Insurance Bhd. It told Bursa Malaysia that it had informed Tokio Marine yesterday of its intention to discontinue the negotiation. On June 9, Bank Negara had given PacificMas the green light to start preliminary negotiations with Tokio Marine. (Star)

PJ Development Holdings Bhd (PJDEV) yesterday proposed a renounceable rights issue of up to 213.8 million new warrants in PJDEV on the basis of three new warrants for every eight existing RM1 shares held in PJDEV or shares held on an entitlement date to be determined later. It also told Bursa Malaysia that it was proposing a restricted issue of up to 42.8 million new warrants to the holders of unexercised 2000/2010 warrants on Oct 29, on the basis of three new warrants for every eight unexercised 2000/2010 warrants held on the expiry date. The proceeds of up to RM4.3mil would be used as working capital and to defray the expenses arising from the proposals. (Star)

GPRO Technologies Bhd (GPRO) has entered into a heads of agreement (HoA) to acquire AB Technology Sdn Bhd (AB Tech), a precision casting and injection moulding firm, for RM140mil to be settled via the issuance of new shares. If the deal goes through, AB Tech's owners Grand Intergroup Sdn Bhd and Whatever Investment Pte Ltd will emerge as the controlling shareholders of GPRO. (Star)

CIMB Group Holdings Bhd (CIMB), the country's second largest bank by assets, will update investors on its plans to sell a stake in its bad-debt unit in August, said chief executive officer Datuk Seri Nazir Razak. "We will do the update when we announce our second-quarter earnings in August," he said after the group's EGM yesterday. News reports had it that CIMB Bank Bhd was in talks with several specialist parties to sell down its stake in its "bad bank" Southeast Asia Special Asset Management Bhd (Seasam) that managed its legacy non-performing loans (NPLs). (Star)

Asia File Corp Bhd (ASIAFLE) told Bursa Malaysia that the Taiping High Court had yesterday granted a stay of execution against a claim filed by Kalidason Ramoo to seize and sell a piece of industrial land in Seberang Prai, Penang owned by the company, pending the outcome of a court hearing fixed for Aug 11. "The company wishes to stress its confidence in a positive outcome of the court hearing," it said. Asia File reiterated that the claimed amount of RM217.7mil, versus the total purchase cost of the property of RM4.6mil, "was baseless and frivolous and has been wrongly directed" at the company. (Star)

Shares of power plant builder **Mudajaya Group Bhd** (MUDAJYA) fell for a second day as jittery investors booked in profits from recent sharp gains on a news report that the company had been probed by the Securities Commission (SC). Mudajaya told the exchange yesterday it "has not been directly queried by the SC" but assured investors that "it is more than willing to extend its full cooperation" if queried by the regulator. (Star)

MISC Bhd (MISC) has submitted applications to the Securities Commission (SC) and the International Trade and Industry Ministry for the proposed listing of subsidiary Malaysia Marine and Heavy Engineering Holdings Bhd (MHB). The group said in a statement that it has also submitted an application to the SC's syariah advisory council for the nod to classify MHB's entire enlarged issued and paid-up share capital as a syariah-compliant security on completion of the proposed listing. MISC, the world's biggest owner of liquefied natural gas tankers, recently said it intended to list 25.5 per cent of MHB on Bursa Malaysia's Main Board by the fourth quarter. It would sell 9.1 per cent, or 146 million MHB shares, to institutional investors, and 16.4 per cent, or 262 million shares, to the public. MHB posted a net income of RM279 million in financial year ended March 31 2010, compared with RM278 million previously. (BTimes)

Government investment arm Khazanah Nasional Bhd has won the battle over Singapore's healthcare services provider **Parkway Holdings Ltd** as it seeks to buy all remaining shares in the company for a total of S\$3.5 billion (RM8.19 billion). Khazanah-owned Integrated Healthcare Holdings Ltd told the Singapore Stock Exchange (SGX) yesterday that it was revising its partial offer to a voluntary conditional general cash offer for all remaining Parkway shares at S\$3.95 (RM9.24) per share. The voluntary general offer (VGO) price is 4.5 per cent more than Integrated Healthcare's initial partial offer price of S\$3.78 (RM8.85). (BTimes)