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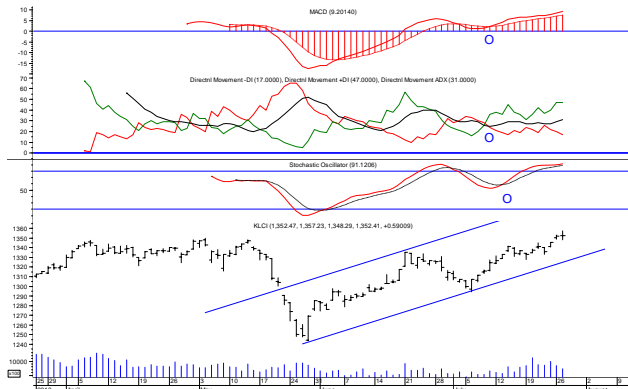
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MARKET FLASH

FBM KLCI

Wed, 28 July 2010



MARKET STATISTICS (27/7/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,352.23	+ 0.41
FBM 100	8,901.33	+ 2.29
FBM ACE	3,791.03	- 10.98

Volume (m)	731.6	
Value (RMm)	1,334.7	
Up	308	
Down	381	
Unchanged	285	

FOREIGN

Nikkei	9,496.85	- 6.81
Hang Seng	20,973.39	+ 133.48
STI	2,979.38	+ 12.39
Shanghai CI	2,575.37	- 13.31

BURSA MOVERS

Gainers	Close	Chg
Nestle	38.60	+ 1.36
CCB	6.08	+ 0.31
Measat	3.80	+ 0.31
Layhong	1.25	+ 0.21
Cocoland	2.90	+ 0.21

Losers	Close	Chg
Topglove	6.54	- 0.21
Gnealy	4.48	- 0.20
StamCol	0.255	- 0.155
Ewein	0.85	- 0.13
Seg-WR	1.03	- 0.12

Actives	Close	Chg
BJ Corp	1.03	-
AirAsia	1.44	+ 0.02
Kenmark	0.07	- 0.01
Jadi	0.275	+ 0.015
IFSAMSC	0.18	- 0.015

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,348.29 level after making attempt to go higher/lower than 1,357.23.

Market Buying Strength :

About **48%** of total market volume on 27/7/2010 was on buying side compared to **65%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **liquidating** a portion of stock positions on 27/7/2010.

Pivot Point Studies for Intra-Day :

For **Wednesday (28/7/2010)**, 1st resistance @ 1,356.8 & 2nd resistance @ 1,361.5 ; 1st support @ 1,347.9 & 2nd support @ 1,343.6.

To read more

Technical Analysis – Daily FBM KLCI

	27/7/2010	26/7/2010
Open	1,352.47	1,350.54
High	1,357.23	1,352.94
Low	1,351.81	1,348.73
Close	1,352.41	1,351.82
Volume	731.6 m	850.6 m
Market Breadth		
Up	308	336
Down	381	355
Unchanged	285	274
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

Selling pressure showed up

Market Commentary :

Led by better than investors anticipated housing market report and a more upbeat earning forecast by FedEx Corp., DJIA had on 26/7/2010 gained another 100.81 points to close at 10,525.43.

The triple-digit gains in Wall Street sent a friendly trading sentiment signal to Bursa Malaysia in the opening bell on 27/7/2010, FBM KLCI rose higher to a day high of **1,357.23** as some traders continued to play a buying game in anticipation of higher market. However, weak follow through buying support in area of **1,357.23** prompted profit taking activity to roll in, and this put a pressure on stock index down to a low of **1,348.29** before settled at **1,352.23**.

The **rise** of **0.41** point in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **TM** (up RM0.01), **Tenaga Nasional** (up RM0.03), **IOI Corp** (up RM0.02), **Maybank** (up RM0.01) and **PB Bank** (up RM0.04).

What was the chart saying

Market saw another upward move yesterday (27/7/2010) with an attempt to test 1,360 level; but, it could not find the required buying support on the back of positive external market development plus the up close scenario in the preceding day (26/7/2010). This higher market move on 27/7/2010 was basically within expectation because the way KLCI carried itself on 23/7/2010 had somehow portrayed its next likelihood move on 27/7/2010.

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**

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dated 23/7/2010"In general, traders don't like to play an aggressive buying game especially 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.

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.

On 27/7/2010, KLCI traded to a day high of 1,357.23 with bullish traders trying to make a case that the bull would continue; but, market ended with a down close. At a day high of 1,357.23, this market was merely 8 points away from 1,365 resistance level, this probably explained why there was a strong selling pressure in the vicinity of 1,357, and unwillingness on the part of bullish traders to aggressively push the market upward. Or put it simply, this market is beginning to enter a sideways phase with a downward bias as traders with winning traders would now choose to lock in a portion of their profits.

What were the strong hands doing

A check of internal market strength on 27/7/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, *the number of stock positions established on 27/7/2010 added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 38% from 33% in the preceding trading day (26/7/2010).*

Conclusion :

Market outlook remained friendly in the short & medium term with settlement on 27/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 27/7/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,348.29 after making attempt to go above 1,357.23.

Today's Hot Pick – Waseong

	27/7/2010	26/7/2010
Open	2.36	2.34
High	2.36	2.35
Low	2.34	2.34
Close	2.35	2.35
Volume	3,682	10,007
Indicators	27/7/2010	26/7/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	sell	sell

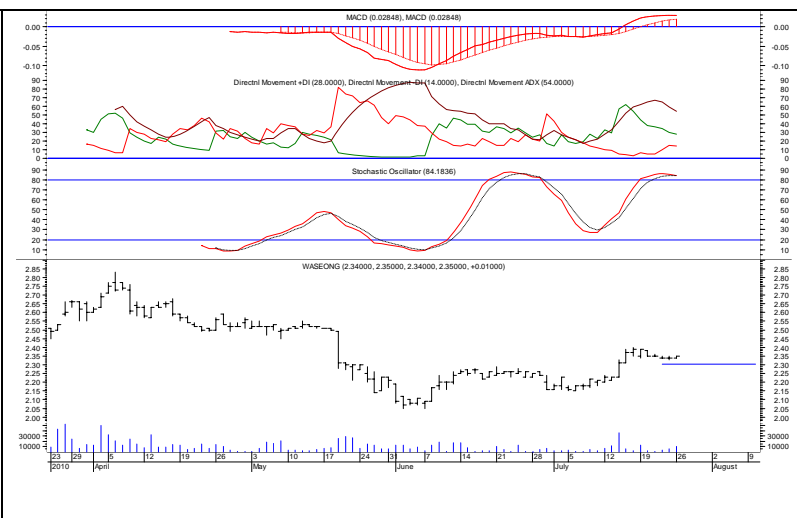


Chart wise : *Upside bias within consolidation.....*

Waseong (5142 - MainBoard) had on 27/7/2010 traded higher to a day high of **RM2.36** before settled at **RM2.35**.

Next Potential Upside Target : An upside violation of **RM2.40** level would likely see **Waseong** to trade upward with next upside target at **RM2.50**.

Entry Level : Risk taking traders may establish buying position at **RM2.31** as **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 **RM2.24** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – Air Asia

	27/7/2010	26/7/2010
Open	1.42	1.40
High	1.46	1.45
Low	1.41	1.40
Close	1.44	1.42
Volume	175,645	120,094
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	sell	sell

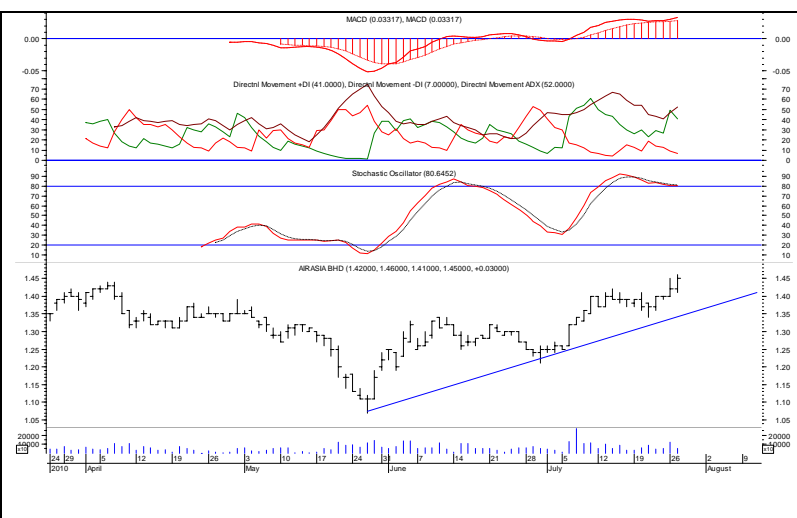


Chart wise : Resistance between RM1.48 and RM1.55 seen

Air Asia (5099 - MainBoard) had on 27/7/2010 traded higher to reach a day high of **RM1.46** before settled at **RM1.44**.

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 **RM1.48** and support at **RM1.30**.

What to watch for

A turnaround of prices to close **above RM1.60** level would see an immediate short term reversing direction in the stock.

Active Stock Review –Cycle & Carriage Bintang Bhd



Chart wise

Avoid.

Cycle & Carriage Bintang Bhd (2925-Main Market- Consumer Products) – RM6.08

CCB's severe fall saw its candle breaching the uptrend line. There was also a 90 sen "gap down" which will eventually be covered. For now, however, the candle is attempting to find support at the level of RM6.00, but its momentum indicators are frail and already below the lower limit line.

Still, there are no signs of recovery as yet, but if the RM6.00 level holds, then there could be a reprieve and trading buy opportunities may emerge. In the meantime, the stock price has yet to stabilize and consequently, it is best to Avoid. The support is at RM5.80. The resistance is at RM7.00.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed higher in a technical correction yesterday after a bearish trend on Monday, said dealers. However, the overall market was weak. At the close, the CPO futures for August 2010 rose RM5 to close at RM2,555 per tonne, September 2010 gained RM14 to RM2,505 per tonne and October 2010 added RM12 to RM2,485 per tonne. The November 2010 contract, however, was RM2 lower to settle at RM2,468 per tonne. Volume slipped to 17,717 lots from 18,236 lots, while open interest eased to 67,931 contracts from 68,489 contracts on Monday. (BTimes)

The ringgit closed higher against the US dollar yesterday on strong commercial demand for the local currency, dealers said. At 9am, the ringgit was quoted at 3.1815/1855 to the US dollar, up from Monday's closing of 3.1970/1000. One of the dealers said investors regained their appetite for risk and showed confidence over economic developments in the region. (BTimes)

Oil prices dropped on Tuesday following disappointing reports on U.S. consumer confidence and manufacturing. The Conference Board's Consumer Confidence Index for July fell from June levels and was lower than economists expected. The Richmond Federal Reserve's regional report on manufacturing showed a slowdown as well. Benchmark crude lost \$1.48 to settle at \$77.50 a barrel on the New York Mercantile Exchange. (Star)

The yen rose against all of its 16 major counterparts as signs the U.S. economic recovery is stalling boosted demand for Japan's currency as a refuge. The yen climbed from a two-month low versus the euro after most U.S. stocks fell on a slump in consumer confidence to a five-month low. Australia's dollar ended a four-day gain against the yen on concern a consumer-price report today will allow the central bank to hold the key interest rate unchanged next week. The yen rose to 114.02 per euro as of 8:28 a.m. in Tokyo from 114.24 in New York yesterday, when it reached 114.42, the weakest level since May 18. The yen traded at 87.79 per dollar from 87.90. The dollar was little changed at \$1.2995 per euro. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10537.69	12.26	0.12	Nasdaq CI	2288.25	-8.18	-0.36
S&P 500	1113.84	-1.17	-0.10	FTSE 100	5365.67	14.55	0.27

Global and Local Headlines

Most U.S. stocks fell yesterday, with the Standard & Poor's 500 Index declining for the first time in four days, as retailers slid after consumer confidence retreated to a five-month low. Amazon.com Inc. and Lowe's Cos. Inc. dropped at least 1 percent to help lead retailers to the biggest decline among 24 S&P 500 groups. U.S. Steel Corp., the country's largest steelmaker, declined 6.4 percent after reporting an unexpected second-quarter loss. DuPont Co., the third-biggest U.S. chemical maker, gained 3.6 percent, on better-than-estimated earnings. (Bloomberg)

American consumers lost confidence in July, shaken by mounting concern over jobs and wages that threaten to constrain the economic recovery. The Conference Board's sentiment index fell to 50.4, below the median forecast of economists surveyed by Bloomberg News and the lowest level in five months, figures from the New York-based private research group showed today. Another report showed home prices rose more than forecast in May as a government tax credit temporarily underpinned sales. (Bloomberg)

Singapore Airlines Ltd. Chief Executive Officer Chew Choon Seng, who took a pay cut while maintaining the carrier's wine budget during the recession, samples economy-class meals every month to make sure they meet his standards. That attention to detail has helped the airline's shares double during Chew's seven years as CEO, even as he grappled with a global recession, SARS, swine flu, record jet-fuel prices and rising competition from budget airlines. Chew, 64, signaled yesterday he will step down as head of the world's second-largest carrier by market value when his contract ends in December. (Bloomberg)

Asian stocks rose yesterday, driving the MSCI Asia Pacific Index higher for the third straight day, as better-than-estimated U.S. home sales and earnings reports boosted investor confidence. James Hardie Industries SE, the biggest seller of home siding in the U.S., jumped 2.9 percent in Sydney. HSBC Holdings Plc, Europe's largest bank, gained 1.4 percent after Swiss lender UBS reported a third consecutive quarterly profit. Sumitomo Mitsui Financial Group Inc. rose 2.8 percent in Tokyo on higher earnings at its investment-banking unit. Singapore Airlines Ltd. rose 1.8 percent on better-than-estimated profit. (Bloomberg)

About 18.9 million **homes in the U.S.** stood empty during the second quarter as surging foreclosures helped push ownership to the lowest level in a decade. The number of vacant properties, including foreclosures, residences for sale and vacation homes, rose from 18.6 million in the year-earlier quarter, the U.S. Census Bureau said in a report today. The ownership rate, meaning households that own their own residence, was 66.9 percent, the lowest since 1999. Lenders are accelerating foreclosures as borrowers fall behind in mortgage payments after the worst housing crash since the Great Depression. A record 269,962 U.S. homes were seized in the second quarter, according to RealtyTrac Inc. Foreclosures probably will top 1 million this year, the Irvine, California-based data company said in a July 15 report. (Bloomberg)

Yeo Hiap Seng (M) Bhd (YHS) incurred a pre-tax loss of RM7.59mil for its second quarter ended June 30 compared with a pre-tax profit of RM2.92mil in the same period last year. The company said this was due to impairment charges against property, plant and equipment following its business consolidation. (Star)

The share price of **KBB Resources Bhd** (KBB) tumbled to its record low at 20 sen down 5.5 sen yesterday after the announcement that it has defaulted on "some banking facilities repayment" since July 21 amounting to over RM16.1mil involving 10 banks. But yesterday, the company in a filing to Bursa Malaysia said it had appointed an independent financial advisor, UHY Advisory Sdn Bhd in relation to its proposed corporate debt restructuring scheme. To recap, the vermicelli manufacturer had on July 26 in its filing to Bursa Malaysia, listed that seven of its subsidiaries – including the main unit Kilang Bihun Bersatu Sdn Bhd had failed to pay the principal and/or interest on banking facilities. (Star)

Malaysian Airline System Bhd (MAS) non-executive chairman Tan Sri Dr Mohd Munir Abdul Majid's contract was extended for another year. MAS said yesterday that the contract was extended for a further one year from Aug 1, 2010 to July 31, 2011. (Star)

Maybank Investment Bank Bhd planned to expand its operations to Singapore and Indonesia by June next year, said its newly-appointed chief executive officer Tengku Datuk Zafrul Tengku Abdul Aziz. "Apart from chalking up more profits for the bank, my major task is actually to look at expanding Maybank Investment's operations regionally," he said. Maybank Investment hoped to offer services such as corporate finance, Islamic advisory, structured and treasury products in these markets, he added. (Star)

Malaysia's largest professional eyecare chain, **Focus Point Holdings Bhd**, had to delay its listing at the eleventh hour after an anonymous complaint about its business. However, the group has refuted the allegations and are now waiting for the authorities to deliberate on its response. "The board of directors believes that the allegations are adequately refuted and that the allegations were made with malicious intent to derail the company's listing plans and damage the group's business operations. "The board wishes to assure the public that the group's business operations are sound and that its fundamentals are intact," it said in a late statement yesterday. (BTimes)

Heitech Padu Bhd (HTPADU) won a RM282 million deal to provide work for an Integrated Solution for the Road Transport Department. In a statement, the firm said the project will take 24 months to develop and will have a warranty period of 24 months after completion. (BTimes)

Measat Global Bhd (MEASAT), a Malaysian satellite operator, asked for a share suspension pending an announcement of a corporate proposal involving shareholders of the company. The shares of Measat will be suspended for one day, it said in a statement in Kuala Lumpur today (BTimes)