



Mercury Securities Sdn Bhd (113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office
Wisma UMHO,
Lorong Bagan Luar Dua,
12000 Butterworth,
Seberang Perai.
Tel: 604-3322 123

KL BRANCH
L-7-2, Ilo 2,
Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel: 603-6203 7227

MELAKA BRANCH
81B & 83B,
Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka.
Tel: 606-292 1898

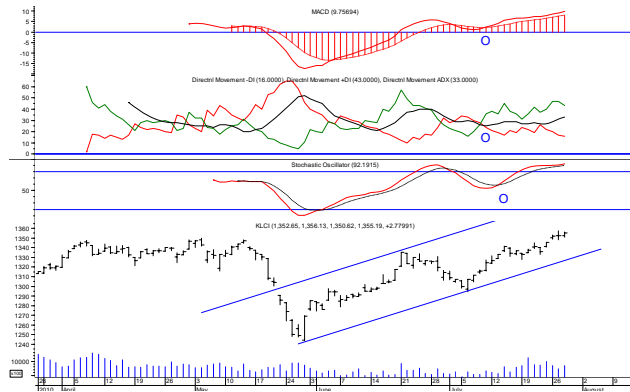
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhr Pantai,
10300 Penang.
Tel: 604-263 9118

JOHOR BRANCH
Menara Pelangi,
Suite 17.1, Level 17,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru.
Tel: 607-331 6992

MARKET FLASH

FBM KLCI

Thurs, 29 July 2010



MARKET STATISTICS (28/7/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,355.19	+ 2.96
FBM 100	8,921.90	+ 20.57
FBM ACE	3,799.18	+ 8.15
Volume (m)	847.1	
Value (RMm)	1,251.1	
Up	445	
Down	264	
Unchanged	278	

FOREIGN

Nikkei	9,753.27	+ 256.42
Hang Seng	21,105.67	+ 132.28
STI	2,985.38	+ 6.00
Shanghai CI	2,633.66	+ 58.29

BURSA MOVERS

Gainers	Close	Chg
Nestle	39.20	+ 0.60
Jerneh	3.18	+ 0.36
Ivory	1.30	+ 0.30
Jerneh-WA	1.65	+ 0.25
Taan	5.30	+ 0.21

Losers	Close	Chg
Mudajaya	5.09	- 0.48
KStar	2.20	- 0.16
RCI	1.75	- 0.13
Malpac	1.22	- 0.13
YHS	1.53	- 0.13

Actives	Close	Chg
Ivory	1.30	+ 0.30
Jadi	0.30	+ 0.025
Air Asia	1.51	+ 0.07
BJ Corp	1.09	+ 0.06
E & O	1.09	+ 0.06

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,356.13 level.

Market Buying Strength :

About **73%** of total market volume on 28/7/2010 was on buying side compared to **48%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a small portion of stock positions on 28/7/2010.

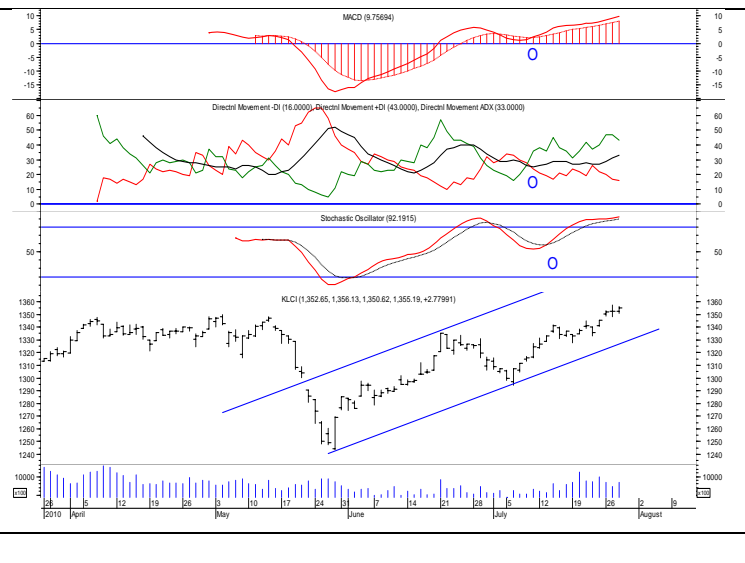
Pivot Point Studies for Intra-Day :

For **Thursday (29/7/2010)**, 1st resistance @ 1,357.3 & 2nd resistance @ 1,359.4 ; 1st support @ 1,351.8 & 2nd support @ 1,248.4.

To read more

Technical Analysis – Daily FBM KLCI

	28/7/2010	27/7/2010
Open	1,352.65	1,352.47
High	1,356.13	1,357.23
Low	1,350.62	1,351.81
Close	1,355.19	1,352.41
Volume	847.1 m	731.6 m
Market Breadth		
Up	445	308
Down	264	381
Unchanged	278	285
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Keeping above 1,350 with an eye to 1,365

Market Commentary :

Led by reported strong earnings from DuPont Co., amid consumer pessimism, DJIA had on 27/7/2010 gained 12.26 points to close at 10,537.69.

The small double-digit gains in Wall Street provided a friendly trading sentiment signal to Bursa Malaysia in the opening bell on 28/7/2010, FBM KLCI only traded to a day low of 1,350.62 as traders decided not to stage selling pressure into the game. In the absence of stronger selling pressure, renewed buying support rolled in, and this lifted stock index to a high of **1,356.13** before settled at **1,355.19**.

The **rise** of **2.96** point in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Genting** (up RM0.10), **CIMB** (up RM0.09), **HL Bank** (up RM0.01), **GenM** (up RM0.02) and **Proton** (up RM0.07).

What was the chart saying

Market saw light supportive buying above 1,350 level yesterday (28/7/2010) with an attempt to test day high of 1,357.23 (27/7/2010); but, it could not find stronger buying support to lift the stock index higher despite the up close scenario in the preceding day (27/7/2010). The higher low and lower high market move on 28/7/2010 helped to create an inside day bar, this implied trading uncertainty scenario, and there was a battle between bull and bear to fight for control. Many bullish traders were seen taking a small break after the recent minor run up from 1,332.92 (22/7/2010) to 1,357.23 (27/7/2010).

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 marginal up close. **At a day high of 1,357.23**

All information, views and advice are given in good faith but without legal responsibility. Mercury Securities Sdn. Bhd. or companies or individuals connected with it may have used research material before publication and may have positions in or may be materially interested in any stocks in the markets mentioned.

on 27/7/2010, 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 small downward bias as traders with winning traders would likely be choosing to lock in a portion of their profits, after all putting in money into the pocket is always safer than profit on paper.

This is not to say that market would not go up anymore from present level, bear in minds there is not such thing as "sure thing" in stock market, and attempt(s) to prop up the market higher nearer to 1,365 level can still be seen

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 28/7/2010 showed that buying strength improved with strong hand(s) seen acquiring a small portion of buying positions, the number of stock positions established on 28/7/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 38% from 39% in the preceding trading day (27/7/2010).

Conclusion :

Market outlook remained friendly in the short & medium term with settlement on 28/7/2010 above 50-day moving average.

The analysis of overall daily market action(s) on 28/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,356.13.

Today's Hot Pick – L & G

	28/7/2010	27/7/2010
Open	0.47	0.48
High	0.505	0.48
Low	0.47	0.465
Close	0.50	0.47
Volume	92,383	17,591
Indicators		
MACD	buy	buy
DM index	buy	buy
Stochastics	sell	sell

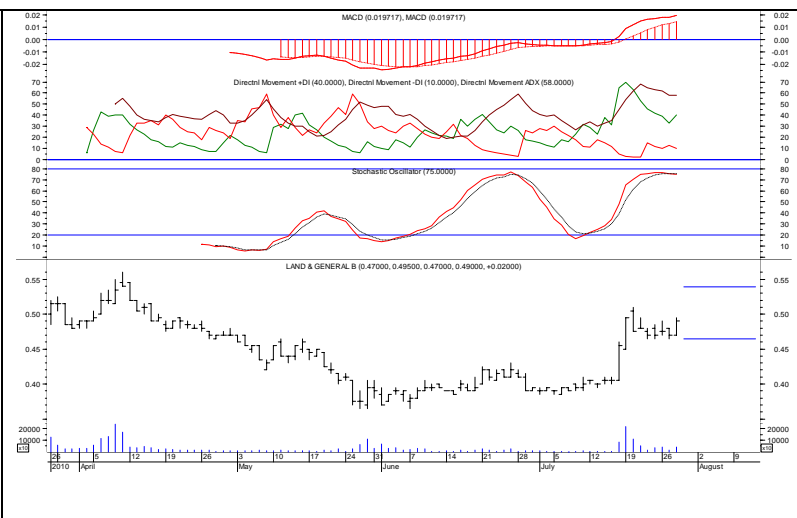


Chart wise : Ready for a target at RM0.54 level

L & G (3174 - MainBoard) had on 28/7/2010 crossed over RM0.49 hurdle to a day high of RM0.505 before settled at RM0.50.

Next Potential Upside Target : With the upside violation of RM0.49 level, **L & G** looked set to trade upward with next upside target at RM0.54.

Entry Level : Risk taking traders may establish buying position at RM0.485 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 RM0.46 level must be placed for risk capital protection followed by a trailing stop loss strategy.

Today's Hot Pick – Samudra

	28/7/2010	27/7/2010
Open	0.27	0.25
High	0.305	0.27
Low	0.26	0.25
Close	0.29	0.255
Volume	37,466	190
Indicators		
MACD	sell	Sell
DM index	buy	Sell
Stochastics	sell	sell

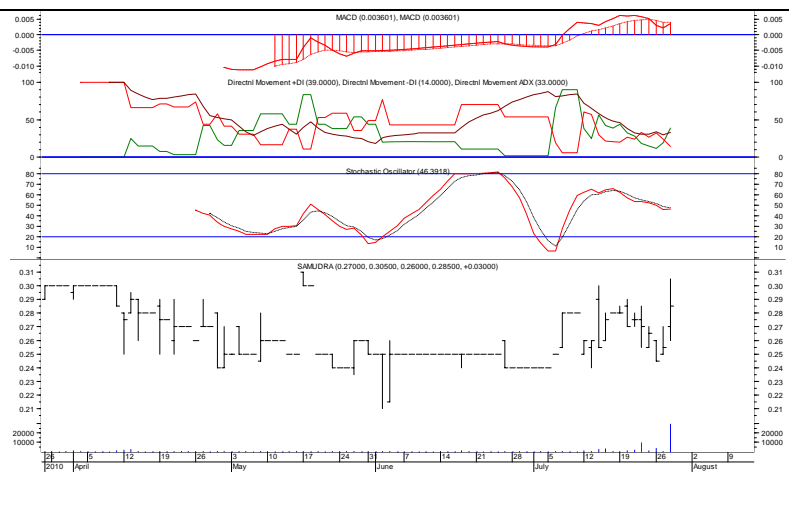


Chart wise : *Quick play seen in play*

Samudra (7185 - MainBoard) had on 28/7/2010 crossed over the immediate high of **RM0.30** (14/7/2010) to an intra-day **high of RM0.305** before settled at **RM0.29**.

Next Potential Upside Target : An upside violation of **RM0.305 level** would likely see **Samudra** to trade upward with next upside target at **RM0.40**.

Entry Level : Risk taking traders may establish buying position at **RM0.28** 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 **RM0.25** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – JCY

	28/7/2010	27/7/2010
Open	1.39	1.37
High	1.40	1.40
Low	1.35	1.37
Close	1.36	1.38
Volume	117,286	64,834
Indicators	28/7/2010	27/7/2010
MACD	sell	sell
DM index	sell	sell
Stochastics	sell	sell

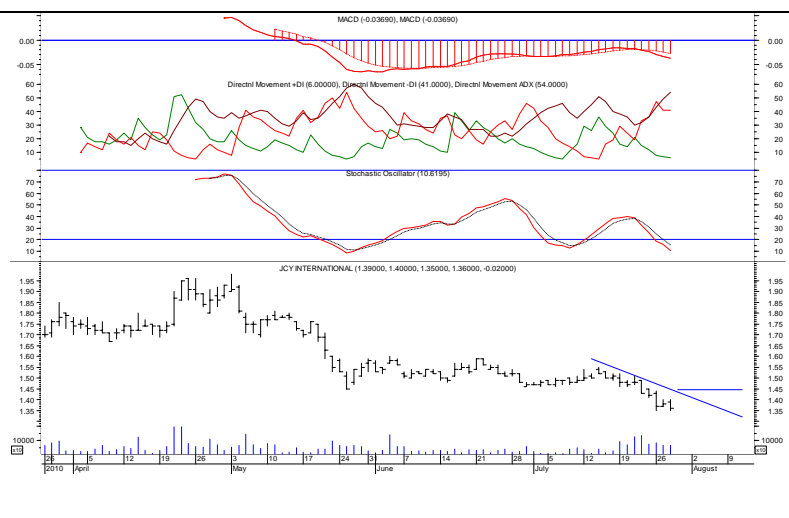


Chart wise : *Under selling pressure*

JCY (5161 - MainBoard) had on 28/7/2010 tested immediate low of **RM1.35** (26/7/2010) before settled at **RM1.36**.

Price Direction

In view of an increase in market participation, the stock could be expected to trade **sideways with downside bias** in coming day(s) with an overhead resistance pegged at **RM1.45** and support at **RM1.30**.

What to watch for

A turnaround of prices to close **above RM1.45** level would see an immediate short term reversing direction in the stock.

Active Stock Review – UMW Holdings Bhd



Chart wise

Extended range trading.

UMW Holdings Bhd (4588-Main Market- Consumer Products) – RM6.25

UMW share prices have weakened after a brief rally to the ceiling of the sideways channel. It is now trending towards the floor-base of the channel with support anticipated at RM6.20. After the previous swing from RM6.18 to RM6.37, we believe trading opportunities would be limited.

The past three days' correction had resulted in weakened indicators, pointing to continued price bearishness. At best, the share price would be in an extended range-trading mode.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit closed lower against the US dollar yesterday as investors switched focus to the diminishing global economic recovery, said OSK Investment Bank Bhd. At the close, the ringgit was quoted at 3.1870/1910 to a US dollar, down from Tuesday's 3.1815/1855 closing. (BTimes)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed higher yesterday on concerns that a rising La Nina weather will affect production, dealers said. The dry weather experienced in the last few months can induce heavier rains or a La Nina weather pattern in palm oil-producing Southeast Asia, said a dealer. CPO prices will be supported by the rainy weather and buyers from China and Pakistan have already started stocking up for Ramadan, the dealer added. At the close, CPO futures for August 2010 increased RM16 to RM2,571 per tonne, September 2010 gained RM23 to RM2,528 per tonne, October 2010 added RM10 to RM2,495 per tonne and November 2010 was RM19 higher at RM2,487 per tonne. (BTimes)

Oil prices dropped just below US\$77 a barrel on Wednesday after the government said crude supplies rose unexpectedly last week. Benchmark crude fell 51 cents to settle at \$76.99 a barrel on the New York Mercantile Exchange. Crude supplies grew by 7.3 million barrels last week, according to the Energy Department's Energy Information Administration. Analysts expected a drop of 2.3 million barrels, according to a survey by Platts, the energy information arm of McGraw-Hill Cos. (Star)

New Zealand's central bank raised interest rates for a second straight month and signaled it plans to slow the pace of future increases, sending the nation's currency to its lowest level in a week. "Further removal of monetary policy stimulus is appropriate," central bank Governor Alan Bollard said in a statement in Wellington today after boosting the official cash rate by a quarter percentage point to 3 percent. "The pace and extent of further cash rate increases is likely to be more moderate than was projected in the June statement." New Zealand joins nations from South Korea to India to Malaysia in removing monetary stimulus as Asia-Pacific economies recover from the financial crisis and grapple with rising prices. The currency fell today after Bollard said its recent gains were "inconsistent with the softening" of the nation's economic outlook and "moderation" in export commodity prices. (Bloomberg)

Japanese industrial production probably grew at the slowest pace in more than a year last quarter, adding pressure on the government to extend consumer incentives as export growth cools. Factory output rose 0.2 percent in June from May, according to the median estimate of economists surveyed by Bloomberg News ahead of a Trade Ministry report to be released in Tokyo tomorrow. That would cap the smallest quarterly gain since production fell in the first three months of 2009. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10497.88	-39.81	-0.38	Nasdaq CI	2264.56	-23.69	-1.04
S&P 500	1106.13	-7.71	-0.69	FTSE 100	5319.68	-45.99	-0.86

Global and Local Headlines

U.S. stocks fell, Europe's benchmark equity index halted a six-day rally and the dollar slipped versus the yen as an unexpected drop in American durable-goods orders added to evidence the economic recovery is slowing. The Standard & Poor's 500 Index lost 0.7 percent to 1,106.12 at the 4 p.m. close in New York. The Stoxx Europe 600 Index fell 0.4 percent. Oil slid to a one-week low as government data showed an unexpected gain in U.S. inventories, and the dollar slid from the highest in almost two weeks versus the yen. Copper rose to an 11-week high on signs growth is sufficient in China and the U.S. to spur demand. Treasuries rallied, sending 10-year yields below 3 percent. (Bloomberg)

The Federal Reserve said U.S. economic growth slowed in some areas over the past two months, dragged down by commercial real estate and the expiration of a tax credit for homebuyers. "Economic activity has continued to increase, on balance, since the previous survey," the central bank said today in its Beige Book business survey, while noting that two of the Fed's 12 districts reported the economy "held steady" and two said the pace of expansion slowed. (Bloomberg)

Japanese stocks fell yesterday as a government report showed durable goods orders unexpectedly dropped in the U.S. and the Federal Reserve Beige Book business survey showed the nation's growth was slowing in some areas. Advantest Corp., a maker of memory-chip testers that gets almost 80 percent of its revenue overseas, slumped 1.7 percent after the yen strengthened. NEC Corp. retreated 3.3 percent as Japan's largest maker of personal computers reported its first-quarter net loss widened. Inpex Corp., Japan's largest energy exploration company, fell 3 percent as oil prices declined. (Bloomberg)

The Securities Commission (SC) has revoked SJ Asset Management Sdn Bhd's (SJAM) licence to undertake fund management activities. The move, which took immediate effect, came after the SC found that SJAM breached regulatory requirements in relation to the safeguarding of clients' assets and that the company had engaged in deceitful and improper business practices. The SC said it had also found that SJAM had furnished false and misleading information and documents to the regulator. (SJAM is not related to SJ Securities Sdn Bhd). (Star)

A source has confirmed that Companies Commission of Malaysia (CCM) is investigating yarn and textile manufacturer **CNLT (Far East) Bhd** (CNLT) and its "related" companies based on public complaints. It was reported yesterday that CNLT (Far East) and its two related companies – Golden Privilege Sdn Bhd and CNLT International Sdn Bhd – were understood to have undergone investigation by CCM. However, the source declined to disclose the basis of the investigation as the process was still ongoing. (Star)

WCT Bhd (WCT) has proposed an issuance of RM600mil nominal value serial fixed rate bonds of up to five years with up to 181 million detachable warrants on a "bought deal" basis to primary subscribers. In a filing with Bursa Malaysia, WCT also proposed an offer for sale of the provisional rights to the allotment of up to 181 million WCT warrants by primary subscribers at an offer price to be determined to shareholders and entitled senior management of the WCT group of companies. The company said the proceeds from the proposed bonds with warrants would enable it to refinance its existing borrowings, resulting in interest savings for the company. (Star)

George Kent (M) Bhd (GKENT) and a consortium partner have secured a RM129.8mil contract to construct and complete 160-million-litres-per-day (MLD) water treatment plant in Kuantan, Pahang. The contract was awarded by the East Coast Economic Region Development Council in an open tender, the company told Bursa Malaysia yesterday. The project is expected to be completed on Aug 12, 2013 and will contribute positively to the earnings of George Kent, a company largely involved in water metre manufacturing and construction, it said. (Star)

Malaysian Resources Corp Bhd (MRCB) will consider injecting some of its properties into a real estate investment trust (REIT) as part of the company's growth strategy, said chief executive officer Mohamed Razeek Hussain. "REIT has never been (far) away from our minds. It is a strategy that we might employ in the future, perhaps in the mid to long term. (Star)

Tycoon T. Ananda Krishnan is going for his third major corporate exercise in less than a year, this time involving the privatisation of **Measat Global Bhd** (MEASAT) – at a cash offer price of RM4.20 or about RM668mil. In a statement to Bursa Malaysia yesterday, Measat said Measat Global Network Systems Sdn Bhd, the entity controlled by Ananda, intended to undertake a conditional takeover to acquire all the shares in Measat not already held by Measat Global Network Systems for RM4.20 cash per share. (Star)

Terengganu state-owned company **TDM Bhd** (TDM) will build a RM120mil seven-storey hospital for Kuantan Medical Centre (KMC). The new facility will be equipped with the latest technology, 150 beds based on the single-room concept and serviced by 33 consultants. It will also have five operating theatres and 12 intensive care units. The existing hospital has 84 beds and 18 consultants. The new hospital is expected to be completed in 2012. (Star)

PLUS Expressways Bhd (PLUS) has signed a conditional deal to sell its stake in an Indonesian highway company to PT Bakrie & Brothers TBK for RM20 million. PLUS told Bursa Malaysia yesterday the sale of PT Cimanggis Cibitung Tollways is part of the group's effort to focus its resources on other businesses in Indonesia. The deal is due to be completed in the first quarter of 2011 subject to approvals from authorities in Indonesia. (BTimes)

Delaying the listing of **Focus Point Holdings Bhd** is to clear uncertainties, says the Securities Commission (SC), but it is mum on whether it is satisfied with the company's explanation. The country's largest professional eye-care chain postponed its listing at the last minute on Tuesday following an anonymous complaint. It has refuted all of the allegations in the complaint. Neither Bursa Malaysia nor the SC would comment on the new listing date for Focus Point or whether any action is being taken to address the complaint. (BTimes)

Tanjong Plc (TANJONG), a Malaysian power and gaming company whose shares were suspended yesterday pending an announcement, may spin off its power unit to unlock value or acquire electricity generation assets, according to JPMorgan Chase & Co. (BTimes)