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(A Participating Organisation of Bursa Malaysia)

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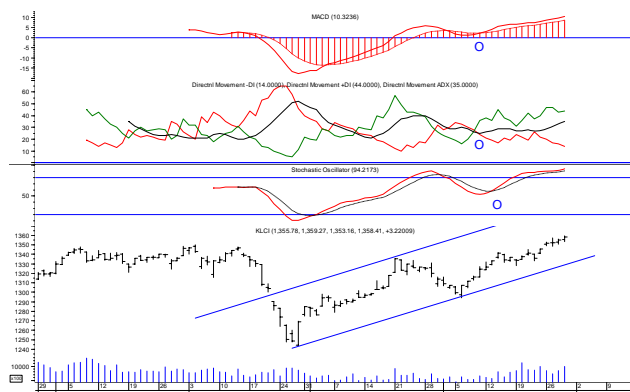
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## MARKET FLASH

### FBM KLCI

Friday, 30 July 2010



### MARKET STATISTICS (29/7/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,358.41	+ 3.22
FBM 100	8,944.48	+ 22.58
FBM ACE	3,803.73	+ 4.55
Volume (m)	999.6	
Value (RMm)	1,480.7	
Up	386	
Down	345	
Unchanged	279	

### FOREIGN

Nikkei	9,696.02	- 57.25
Hang Seng	21,093.82	+ 2.64
STI	2,997.65	+ 12.27
Shanghai CI	2,648.12	+ 14.45

### BURSA MOVERS

Gainers	Close	Chg
Measat	4.07	+ 0.27
PetDag	10.20	+ 0.23
Digi	24.68	+ 0.22
FCW	0.785	+ 0.185
Axiata	4.31	+ 0.16

Losers	Close	Chg
PetGas	9.90	- 0.46
Nestle	38.80	- 0.40
Tocean	0.70	- 0.20
CCB	5.97	- 0.17
PPB	17.40	- 0.16

Actives	Close	Chg
Timecom	0.605	+ 0.015
Axiata	4.31	+ 0.16
E & O	1.15	+ 0.06
Scomi	0.435	+ 0.02
BJCorp	1.09	=

### Today's Market Direction :

FBM KLCI would likely to trade **above** 1.359.27 level.

### Market Buying Strength :

About **71%** of total market volume on 29/7/2010 was on buying side compared to **73%** in the preceding trading day.

### "Movement" in Strong Hands :

Strong hands were seen **acquiring** a portion of stock positions on 29/7/2010.

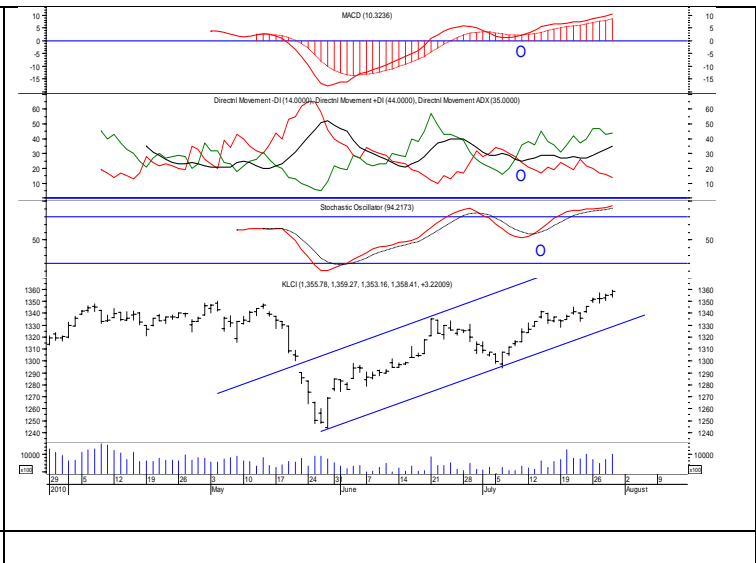
### Pivot Point Studies for Intra-Day :

For **Friday (30/7/2010)**, 1<sup>st</sup> resistance @ 1,360.7 & 2<sup>nd</sup> resistance @ 1,363.0 ; 1<sup>st</sup> support @ 1,354.6 & 2<sup>nd</sup> support @ 1,350.8.

To read more .....

## Technical Analysis – Daily FBM KLCI

	29/7/2010	28/7/2010
Open	1,355.78	1,352.65
High	1,359.27	1,356.13
Low	1,353.16	1,350.62
Close	1,358.41	1,355.19
Volume	999.6	847.1 m
<b>Market Breadth</b>		
Up	386	445
Down	345	264
Unchanged	279	278
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



**Continued to inch higher .....**

### Market Commentary :

Dampened by the release of Federal Reserve's report confirming a slowing economic recovery, investors decided to cash in some of their recent gains, DJIA had on 28/7/2010 lost 39.81 points to close at 10,497.88.

The small double-digit loss in Wall Street did not send negative trading signal to Bursa Malaysia in the opening bell on 29/7/2010, FBM KLCI only traded to a day low of **1,353.16** as traders chose to play a buying game. Under greater buying support, stock index rose higher than immediate high of 1,357.23 (27/7/2010) to reach highest high of **1,359.27** since 3/3/2008, market kept its position well near the high end throughout the trading sessions before settled at **1,358.41**.

The **rise** of **3.22** point in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Genting** (up RM0.05), **TM** (up RM0.04), **HL Bank** (up RM0.02), **GenM** (up RM0.03) and **Proton** (up RM0.06).

### What was the chart saying .....

Market continued to see supportive buying interest above 1,350 level yesterday (29/7/2010) with a crossover of 1,357.23 (27/7/2010) on the back of up close plus higher market volume in the preceding day (28/7/2010). The higher low and lower high market move on 29/7/2010 had helped to **clear away** the uncertainty scenario brought by inside day bar on 28/7/2010, the inside day bar on 28/7/2010 was believed to have resulted from cautious play by traders following the market crossover into 1,350 zone. Or to put it simply, for a stock market to come up this high since 3/3/2008 without a strong **consistent** market volume backing above 1 billion shares, certain amount of uneasy feelings or fear of imminent market fall would have been developed in traders' mind.

However, the reluctance on the part of market to go below 1,350 level since 26/7/2010 on settlement basis had also prompted some risk taking traders to trade in the upward direction of market.

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, this probably explained strong selling pressure in the vicinity of 1,357, and unwillingness on the part of bullish traders to aggressively push the market upward on 28/7/2010.

While this market is seen slowly entering a sideways phase; but, this does not mean 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 made. FYI, as day passes by, the resistance point on an upward sloping trendline extended from low of 1,040 (22/6/2009) to connect the other low of 1,224 (9/2/2010) would also be moving higher; thus, range of resistance should be in between 1,365 and 1,370 level.

**Ladies & gentlemen**, we had said in our earlier market reports that "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 29/7/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, the number of stock positions established on 29/7/2010 reduced the overall selling pressure that took place between 12/7/2010 and 22/7/2010 to 13% from 49% in the preceding trading day (28/7/2010).

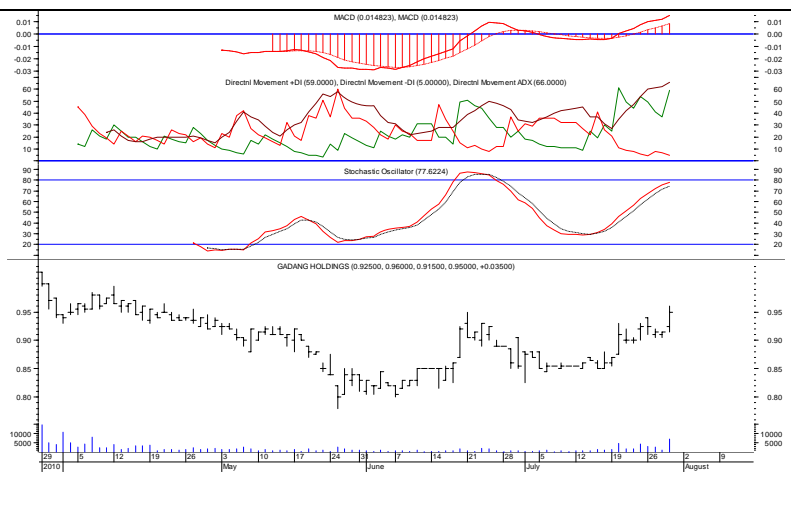
## **Conclusion :**

**Market outlook remained friendly in the short & medium term with settlement on 29/7/2010 above 50-day moving average.**

The analysis of overall daily market action(s) on 29/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,359.27.

## Today's Hot Pick – **Gadang**

	29/7/2010	28/7/2010
Open	0.925	0.91
High	0.96	0.915
Low	0.915	0.905
Close	0.95	0.915
Volume	6,969	940
<b>Indicators</b>		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *A stronger up play seen coming your way.....*

**Gadang (9261 - MainBoard)** had on 29/7/2010 crossed over the immediate high of **RM0.95** (21/6/2010) to a day **high of RM0.96** before settled at **RM0.95**.

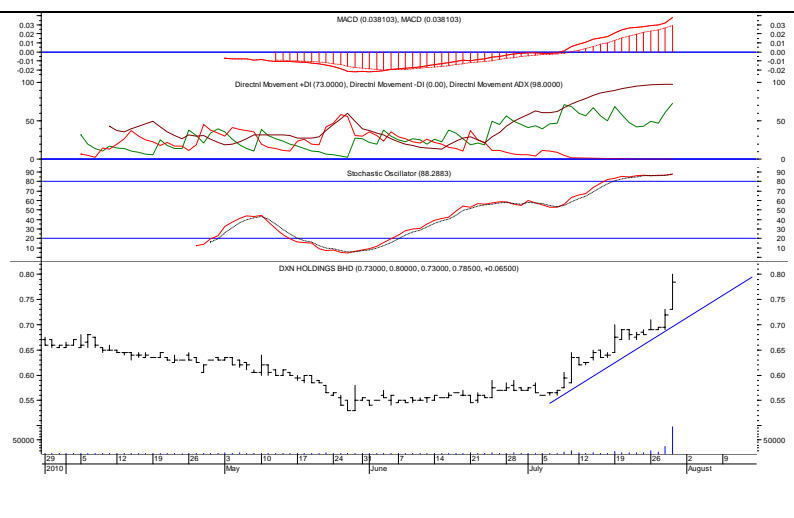
**Next Potential Upside Target** : An upside violation of **RM0.95** level again would see **Gadang** to trade upward with next upside target at **RM1.05**.

**Entry Level** : Risk taking traders may establish buying position at **RM0.935** 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 **RM0.895** level must be placed for risk capital protection followed by a trailing stop loss strategy.

## Current Active Stock Review – DXN

	29/7/2010	28/7/2010
Open	0.73	0.695
High	0.80	0.73
Low	0.73	0.69
Close	0.785	0.72
Volume	96,399	25,991
<b>Indicators</b>	29/7/2010	28/7/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *Highest since 14/6/2005 .....*

**DXN (5074 - MainBoard)** had on 29/7/2010 traded higher to reach highest high of **RM0.80** since 14/6/2005 before settled at **RM0.785**.

**Price Direction** .....

In view of an increase in market participation, the stock could be expected to trade **upward** in coming day(s) with an immediate overhead resistance pegged at **RM0.80**.

**What to watch for** ....

A cross over of **RM0.80** level would see next upside target at RM0.86.

## MAJOR NEWS

### Commodity, Currency and Economic News

**The ringgit** closed higher against the US dollar yesterday supported by firmer regional and local equities markets, dealers said. At 5pm, the ringgit was quoted at 3.1820/1870 to a US dollar compared with 3.1870/1910 on Wednesday. A dealer said the ringgit was traded within a tight range on lack of fresh leads. (BTimes)

Prices of **crude palm oil (CPO) futures** contracts on Bursa Malaysia Derivatives ended higher yesterday on the back of steady crude oil price, dealers said. Concerns on a shortage of supply due to the rainy season and price rise in commodities generally were also among contributing factors to the positive trend, a dealer said. "The market should remain steady as festival period buying remains strong with demand coming from China, India, Pakistan and Indonesia," the dealer said. At close, CPO futures contracts for August 2010 and September 2010 rose RM14 each to close at RM2,585 and RM2,542 a tonne respectively, while October 2010 and November 2010 both were RM19 higher at RM2,514 and RM2,506 a tonne respectively. (BTimes)

**Oil prices** rose Thursday as better-than-expected earnings from Exxon Mobil Corp., Southwest Airlines Co. and others bolstered hope for an improving economy. Benchmark crude for September delivery rose \$1.37 to settle at US\$78.36 a barrel on the New York Mercantile Exchange. Oil also benefited from a slight decline in new unemployment claims and a weaker dollar. Commodities like oil are priced in dollars. A weaker dollar makes commodities more attractive to buyers holding foreign currency. (Star)

**European confidence** in the economic outlook rose to the highest in more than two years in July and German unemployment declined for a 13th month as exports sustained a recovery in the region. An index of executive and consumer sentiment in the 16 euro nations increased to 101.3 from 99 in June, the European Commission in Brussels said today. That's the highest since March 2008. The number of people out of work in Germany fell a seasonally adjusted 20,000 to 3.21 million, the lowest since November 2008, the Federal Labor Agency said. (Bloomberg)

**Japan's unemployment rate** unexpectedly rose to a seven-month high in June, adding to concern consumer spending will stall. The jobless rate climbed to 5.3 percent, the statistics bureau said today in Tokyo. The median forecast of 26 economists surveyed by Bloomberg News was for the rate to stay at 5.2 percent. Household spending rose 0.5 percent from a year earlier, a separate report showed. (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10467.16	-30.72	-0.29	Nasdaq CI	2251.69	-12.87	-0.57
S&P 500	1101.53	-4.60	-0.42	FTSE 100	5313.95	-5.73	-0.11

## Global and Local Headlines

**U.S. stocks** fell, sending the Standard & Poor's 500 Index lower for a third day, as earnings and forecasts disappointed investors at technology and consumer companies. A gauge of commodities rose to a 12-week high on speculation the economic recovery will boost demand. The S&P 500 slipped 0.4 percent to 1,101.5 at the 4 p.m. close in New York, trimming its July advance to 6.9 percent. The Stoxx Europe 600 Index fell 0.4 percent, wiping out earlier gains that sent the gauge above its highest close in 12 weeks. The euro rose to \$1.31 for the first time since May as a gauge of European economic confidence climbed to a two-year high. The Reuters/Jefferies CRB Index of raw materials jumped 1.5 percent. (Bloomberg)

**Japanese and Australian** stockfutures fell earlier today after some companies lowered their forecasts and the yen appreciated. American depository receipts of Advantest Corp., the world's biggest maker of memory-chip testers, dropped 0.3 percent from the closing share price in Tokyo after Nvidia Corp., a U.S. graphics chips designer, cut its sales forecast. Those of Honda Motor Co., lost 1 percent after Kyodo News reported the automaker will cut domestic production. Those of Sony Corp., the world's No. 3 television maker, surged 6.1 percent after the company raised its full-year profit forecast. ADRs of Westpac Banking Corp. fell 0.8 percent from the close in Sydney.

**DBS Group Holdings Ltd.**, Southeast Asia's biggest bank, reported an unexpected second-quarter loss as it booked a one-time goodwill impairment charge at its Hong Kong unit and lending margins narrowed. The loss of S\$300 million (US\$220 million) compares with net income of S\$552 million a year earlier, the company said in a statement today. That missed the S\$572.9 million average of eight profit estimates from analysts surveyed by Bloomberg. The quarter's goodwill cost totaled S\$1.02 billion. (Bloomberg)

**Sony Corp. and Panasonic Corp.**, the world's largest consumer-electronics makers, signaled Japanese technology companies are withstanding slowing European demand and the stronger yen after raising their earnings forecasts. Fujitsu Corp. also raised its profit projections yesterday, while a surge in chip demand helped Toshiba Corp. deliver earnings that exceeded analysts' estimates. Earlier in the week, Sanyo Electric Co. increased its forecast and Canon Inc.'s results prompted JPMorgan Chase & Co. to raise its investment rating on the world's biggest camera maker. (Bloomberg)

Bursa Malaysia is actively engaging with **Focus Point Holdings Bhd** as well as its advisors to resolve any issues raised regarding the deferment of the issuer's listing on Tuesday. In a statement to StarBiz yesterday, Bursa said the exchange's priority was to ensure that the interest of investors were protected. This was best done by assessing the impact of the allegations, if any, on the company's business operations, it said. The statement added that the listing of Focus Point was deferred pending resolution of these issues, and the market will be kept informed as and when there were significant developments. At press time, queries to the Securities Commission (SC) had yet to be answered. (Star)

The market is abuzz that **Tanjong plc's** (TANJONG) major announcement today will involve substantial shareholder T. Ananda Krishnan proposing to take the power and gaming company private, just two days after the tycoon announced a similar exercise for Measat Global Bhd. "Privatisation is a strong option given the opportunities. The plan being considered is to take the whole company out (delist), restructure it into a more capital-efficient structure, expand the power business, while slowly exiting the others – gaming and leisure – in one form or another," said a source. (Star)

**Hong Leong Bank Bhd** (HLBANK) told Bursa Malaysia that it will hold an EGM on Aug 23 to decide on the resolution to acquire the entire assets and liabilities of EON Capital Bhd for RM5.06bil. The EGM will also decide on a renounceable rights issue to raise about RM1.6bil in gross proceeds. (Star)

**Talam Corp Bhd** (TALAM), once the country's largest builder of low- and low-medium-cost houses, plans to launch properties worth as much as RM1 billion once its restructuring exercise is completed. The property launches will be staggered over a period of two to three years. The company expects to launch some projects by the second half of next year. The group has sold off RM676 million worth of properties to settle its debts, of which RM393 million is due to Menteri Besar Selangor Inc and RM266.3 million to lenders. When its restructuring is completed, the group's current liabilities will be reduced to RM190 million from RM887 million a year ago. (BTimes)

RM2.1 billion worth of **residential properties in Penang** are being lined up for development from this year to next, Chief Minister Lim Guan Eng said. He said that Penang and Kuala Lumpur-based developers were planning a total of 2,696 residential properties, with estimated gross sales of more than RM2.1 billion, on the island and mainland. "Of this, a total of 1,676 units with estimated gross sales value of RM1.84 billion are located out of the island," Lim said at a luncheon address on the sidelines of the 13th National Housing and Property Summit in Petaling Jaya, Selangor, yesterday. Apart from this, the state government will also put out to tender some of the prime land in Penang, he added. Among the sites is a piece of land between the Penang Bridge and Queensbay shopping complex. "This land is being offered on a freehold basis with the reserve minimum price of RM200 per sq ft. This is considered cheap." (BTimes)