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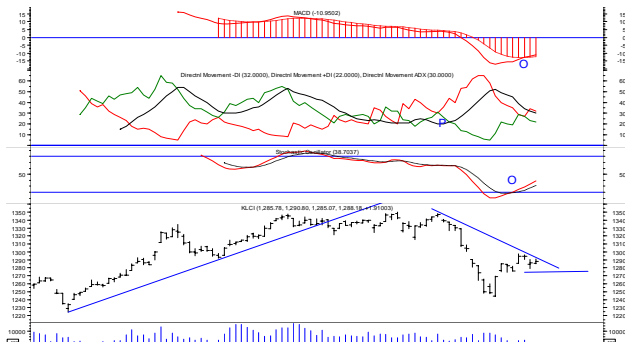
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MARKET FLASH

FBM KLCI

Wed, 9 Jun 2010



MARKET STATISTICS (8/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,288.18	+ 1.91
FBM 100	8,440.5	+ 4.76
FBM ACE	3,774.89	+ 6.60
Volume (m)	521.0	
Value (RMm)	767.6	
Up	349	
Down	271	
Unchanged	221	

FOREIGN

Nikkei	9,537.94	+ 17.14
Hang Seng	19,487.4	+ 109.3
STI	2,746.61	- 5.27
Shanghai CI	2,513.95	+ 2.22

BURSA MOVERS

Gainers	Close	Chg
Lipo	0.67	+ 0.16
Nestle	34.52	+ 0.16
TSM	2.78	+ 0.13
Master	0.49	+ 0.125
IRCB	0.78	+ 0.12
Losers	Close	Chg
BAT	43.80	- 0.40
EonCap	7.00	- 0.20
BJMedia-PA	0.525	- 0.175
Jetson-PA	0.76	- 0.13
SeeHup	0.88	- 0.11
Actives	Close	Chg
SAAG	0.09	=
IRCB	0.78	+ 0.12
BJCorp	1.37	- 0.09
Keuro	0.89	+ 0.07
Gamuda-WD	0.735	- 0.005

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,290.80 level.

Market Buying Strength :

About **70%** of total market volume on 8/6/2010 was on buying side compared to **57%** in the preceding trading day.

"Movement" in Strong Hands :

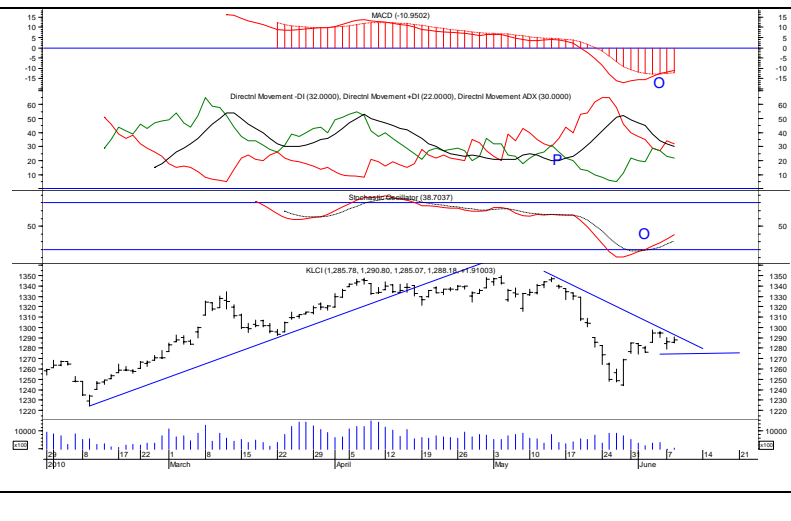
Strong hands were seen **acquiring** a portion of stock positions on 8/6/2010.

Pivot Point Studies for Intra-Day :

For Wednesday (**9/6/2010**), 1st resistance @ **1,290.9** & 2nd resistance @ **1,293.7** ; 1st support @ **1,285.2** & 2nd support @ **1,282.2**.

To read more

Technical Analysis – Daily FBM KLCI

	8/6/2010	7/6/2010	
Open	1,285.78	1,284.51	
High	1,290.80	1,290.68	
Low	1,285.07	1,278.89	
Close	1,288.18	1,286.27	
Volume	521.0 m	492.9 m	
Market Breadth			
Up	349	151	
Down	271	463	
Unchanged	221	206	
Indicators			
MACD	buy	buy	
DM Index	sell	sell	
Stochastics	buy	buy	

Friendly development seen

Market Commentary :

Continued worries over US disappointing May 2010 jobs report and Europe's economic problems, DJIA had on 7/6/2010 lost 115.48 points to close at 9,816.49.

The triple-digit fall in Wall Street did not send a strong negative signal to Bursa Malaysia in the opening bell on 8/6/2010. FBM KLCI only traded to a day low of **1,285.07** as traders were seen not comfortable to play on selling side. In the absence of stronger selling pressure, light renewed buying support rolled in, this lifted stock index to a day high of **1,290.80** before settled at **1,288.18**.

The single-digit **rise** of **1.91** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Public Bank** (up RM0.02), **Tenaga Nasional** (up RM0.03), **Maybank** (up RM0.08), **Genting** (up RM0.10) and **TM** (up RM0.01).

What was the chart saying

Market kept its low above 1,280 level (8/6/2010) despite the down close in the preceding day (7/6/2010). It was a little surprise to see non-follow thru selling pressure on 8/6/2010, because the fall to a low of 1,278.89 on 7/6/2010 implied a likelihood of volatile game play. Normally, aggressive bears would see this as an opportunity to initiate another selling pressure; but, there was no sign of such selling interest on 8/6/2010. **Was it an indication of a change in game play from selling to buying ?** It was too early to tell; but, what we saw yesterday was a supportive play.

Why did the market trade higher on 8/6/2010 ? Some traders were believed to have taken certain amount of risk to establish buying positions in anticipation of something friendly to happen even though they may have found themselves a little unsure of market direction on 4/6/2010 & 7/6/2010. In fact, the fall to a day low of 1,278.89 on 7/6/2010 was viewed a technical pullback of stock index after making the 50% retracement move at 1,296 level measuring on 2/6/2010 from high of 1,349 to low of 1,243 on 3/6/2010.

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Ladies & gentlemen, we had said in our market report dated 1/6/2010 that " ... **How far can this minor rally go ?** The upside violation of 1,280 level on 31/5/2010 was certainly a positive thing to happen, and the market was believed to be gearing up towards 1,295 - 1,300 level."

Again, on 2/6/2010, we continued to say that " ...With market traded downward on 1/6/2010, can the market go up again ? In fact, the market was expected to find resistance in area of 1,280 level before moving higher on 31/5/2010; but, somehow there was "additional" risk-taking buying interest on 31/5/2010. *The rise of 42 points represented about 40% retracement from high of 1,349 to 1,243; thus, this market could still make attempt(s) to test 1,296 level for a 50% retracement calculation.*"

Market had come up this high (1,297.75 on 3/6/2010) ... it may seem an easy meat for stock index to cross over 1,300 level as the gap between 1,300 and the day high of 1,297.75 was merely 2.25 points. **But**, we must remember that 1,300 level had been a psychological hurdle all this while in the eyes of traders and investors. Furthermore, the phenomenon of downside breakout of 1,300 level on 21/5/2010 with lower low bar on 21/5/2010, and the unfilled downside gap left behind on 21/5/2010 would continue to haunt traders' mind.

With the upside gap created on 3/6/2010 filled on 7/6/2010, what would likely happen to the market now ? A sideways market should be shaping up while waiting for next breakout with resistance pegged at 1,300 and support 1,270.

What were the strong hands doing

A check of internal market strength on 8/6/2010 showed that buying strength ***improved*** with strong hand(s) seen ***acquiring a portion of buying positions***, the number of stock positions established on 8/6/2010 helped to improve the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to ***32%*** from ***40%*** in the preceding trading day (7/6/2010).

Conclusion :

The **short and medium term** market outlook remained weak.

The analysis of overall daily market action(s) on 8/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,290.80.

Today's Hot Pick – **AEM**

	8/6/2010	7/6/2010
Open	0.52	0.51
High	0.585	0.525
Low	0.51	0.50
Close	0.57	0.525
Volume	76,391	12,136
Indicators	8/6/2010	7/6/2010
MACD	buy	buy
DM index	buy	sell
Stochastics	buy	buy

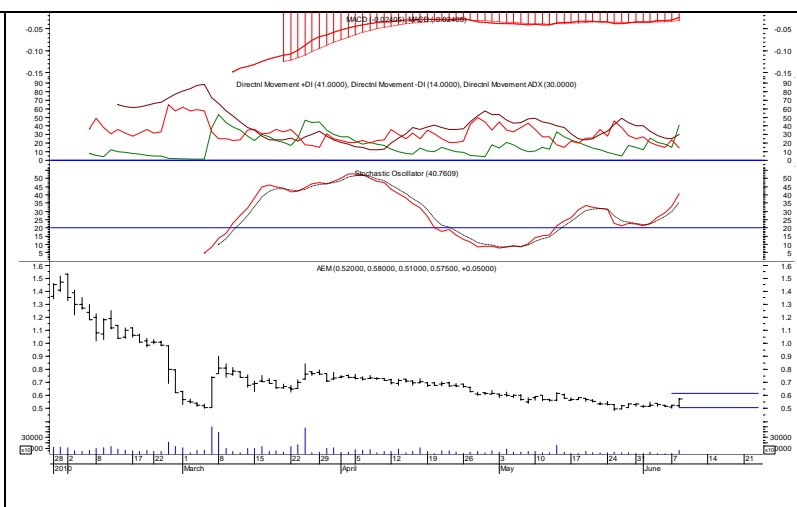


Chart wise : *A rebound in a prolonged base*

AEM (7146-MainBoard) had on 8/6/2010 crossed over RM0.55 hurdler to reach highest high of **RM0.585** since 19/5/2010 before settled at **RM0.57**.

Next Potential Upside Target : With the crossover of **RM0.55** hurdle, **AEM** would be likely to trade upward with next immediate upside target at **RM0.62**.

Entry Level : Risk taking traders may establish buying position at **RM0.54** as a pull back is seen likely before making another attempt(s) to go higher.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM0.50** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – Keuro

	8/6/2010	7/6/2010
Open	0.79	0.745
High	0.91	0.845
Low	0.78	0.715
Close	0.89	0.835
Volume	163,398	475,853
Indicators	8/6/2010	7/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

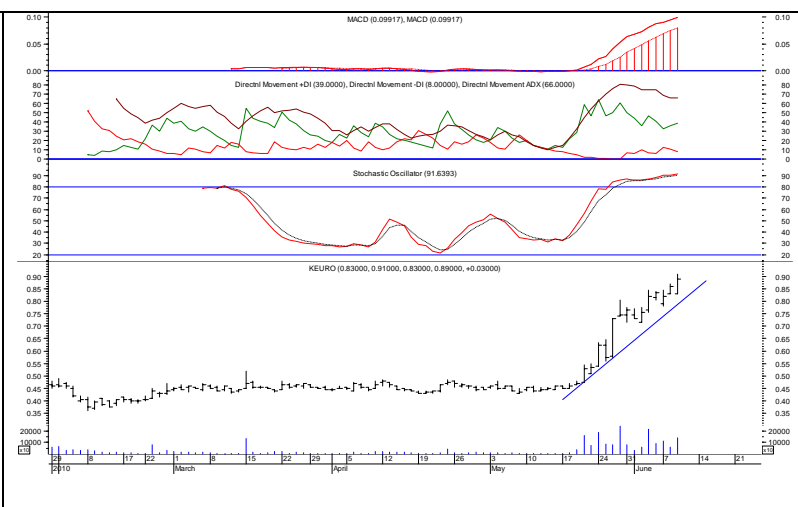


Chart wise : *Overhead resistance seen at RM0.95*

Keuro (3565-MainBoard) had on 8/6/2010 traded higher to reach highest high of **RM0.91** since 10/8/2007 before settled at **RM0.89**.

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 **RM0.95** and support at **RM0.75**.

What to watch for

A turnaround of prices to close **below RM0.75** level would see an immediate short term reversing direction in the stock.

Active Stock Review – **WCT Bhd**

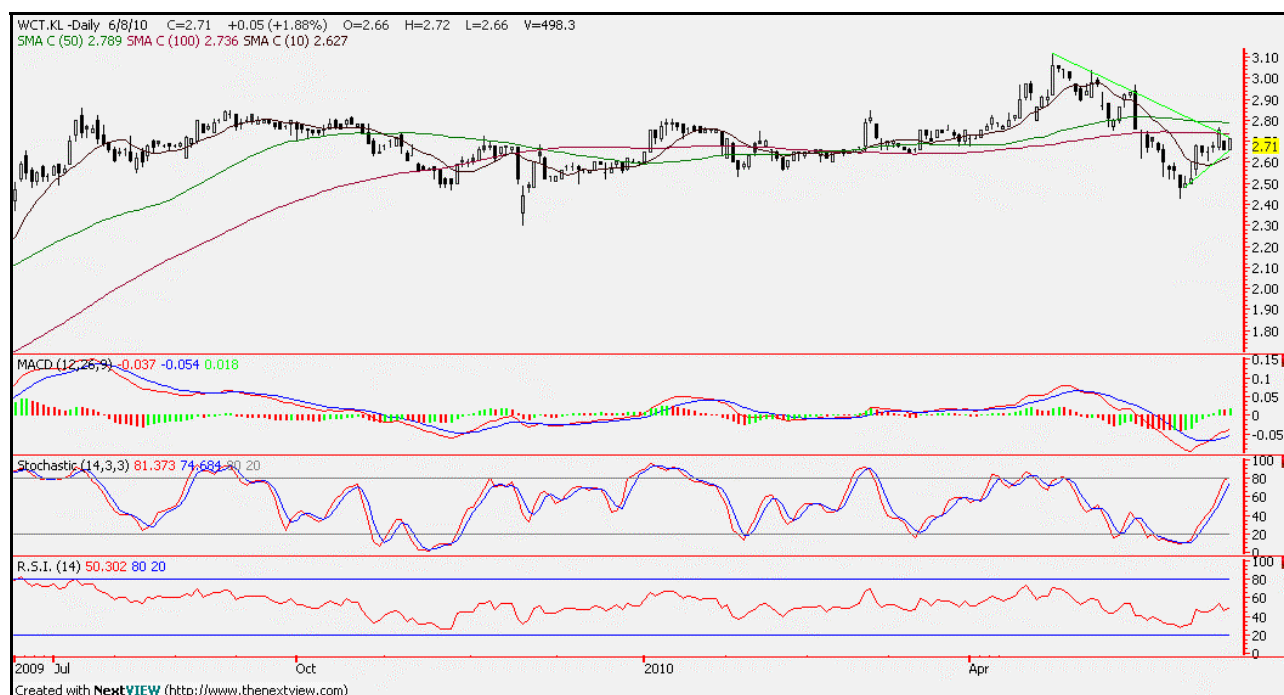


Chart wise

Trading buy.

WCT Bhd (9679-Main Market-Construction)

WCT's candle is on the verge of breaking out of its short-term triangle formation yesterday. This helped to strengthen its core indicators like stochastic further, while the MACD is about to cross the trigger line on the upside.

As the above points to more positive bias, the stock is worth a Trading buy. The target resistances are placed at RM2.77, last Friday's high. The support, on the other hand is at RM2.52 and at RM2.43 level.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives closed lower yesterday on a lack of fresh leads, dealers said. A dealer said investors stayed on the sidelines awaiting the release of production data later this week. At close, June 2010 fell RM5 to settle at RM2,536 a tonne, July 2010 fell RM18 to RM2,478, August 2010 eased RM17 to RM2,432 and September 2010 fell RM12 to RM2,407. Volume declined to 14,202 lots from 14,255 lots on Monday while open interests rose to 71,105 contracts from 69,345 previously. On the physical market, June South was unchanged at RM2,550. (BTimes)

The ringgit closed higher against the US dollar yesterday in tandem with the performance of the local and regional stock markets, dealers said. At close, the ringgit was at 3.3240/3280 compared with 3.3310/3350 on Monday. A dealer said most regional stock markets rebounded on bargain-hunting as investors awaited a slew of Chinese data due later in the week. "The ringgit however, moved in a tight range today (yesterday), as worries over Europe's debt problems made investors wary of high yield currencies, stocks and commodities," the dealer said. Against other major currencies, the ringgit traded mostly higher. (BTimes)

The US dollar traded within 1 cent of a four-year high against the euro on speculation U.S. policy makers will reiterate that a recovery in the world's largest economy is gaining pace. The euro weakened against 11 of its 16 most-traded counterparts as economists surveyed by Bloomberg forecast the European Central Bank will leave its key interest rate at a record low until the second quarter of 2011. The ECB next meets tomorrow. Federal Reserve Chairman Ben S. Bernanke testifies before a House Budget Committee on the economy today after saying June 7 in Washington that the U.S. recovery is moving at a "moderate" pace and the bank will raise rates before the economy returns to full employment or inflation surges. (Bloomberg)

China's policy makers may see evidence this week that economic growth peaked in the first quarter, strengthening their opposition to higher interest rates even as inflation accelerates. Consumer prices jumped 3 percent, hitting the government's targeted full-year ceiling, after a 2.8 percent increase in April, according to the median of 32 estimates in a Bloomberg News survey before the June 11 release. In contrast, lending, investment and industrial output figures due this week may show a slower pace of gains, according to survey estimates. (Bloomberg)

U.K. Prime Minister David Cameron needs to accelerate budget-deficit cuts to protect Britain's top credit rating, Fitch Ratings said. The pound fell and U.K. stocks declined. The U.K. is lagging behind other European countries in publishing deficit-reduction plans as investor concerns over government debt loads increase, Fitch said today in a statement, the first by a credit-rating firm on the U.K. since Cameron took office on May 11. "The scale of the United Kingdom's fiscal challenge is formidable and warrants a strong medium-term consolidation strategy -- including a faster pace of deficit reduction than set out in the April 2010 budget," Fitch said. (Bloomberg)

Oil prices moved higher Tuesday as traders tried to get a handle on whether weak, short-term demand for crude could eventually push prices down. Benchmark crude for July delivery rose 55 cents to settle at \$71.99 a barrel on the New York Mercantile Exchange. The European debt crisis and abundant supplies of crude and refined products in the U.S. pushed oil down from an 18-month high of \$87 a barrel in the past month. European governments have announced plans to cut spending, and in the world's largest auto market - China - car sales in May grew at the slowest rate in more than a year. (Star)

Japanese machinery orders rose more than economists estimated in April, signalling companies are preparing to spend again as the economy recovers and earnings rebound. Orders, an indicator of business investment in three to six months, climbed 4 percent from March, when they increased 5.4 percent, the Cabinet Office said today in Tokyo. The median forecast of 27 economists surveyed by Bloomberg News was for a 1.7 percent gain. Higher spending by companies and consumers would broaden a recovery that's been driven by exports and hampered by deflation. Hitachi Ltd. to Tokyo Electron Ltd. are among businesses that are benefiting from renewed global demand, prompting them to forecast better earnings and invest in plant and equipment. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	9939.98	123.49	1.26	Nasdaq CI	2170.57	-3.33	-0.15
S&P 500	1062.00	11.53	1.10	FTSE 100	5028.15	-40.91	-0.81

Global and Local Headlines

U.S. stocks rose, pushing the Standard & Poor's 500 Index up 1.1 percent after it swung between gains and losses at least 13 times, as a rally in oil and metal markets boosted commodity producers. Gold retreated after reaching a record high. The S&P 500 climbed 11.53 points to 1,062, recovering less than a quarter of the slump through yesterday that was the biggest two-day retreat since March 2009. Crude oil futures advanced 1.5 percent to \$72.53 a barrel in electronic trading at 5 p.m. in New York, while copper, aluminum and nickel rallied in London. The euro rose 0.4 percent to \$1.1973 amid speculation the Swiss National Bank sold the franc. (Bloomberg)

Global investors support U.S. legislation that would raise capital requirements for banks and strengthen consumer financial protection, even as they oppose the so-called Volcker Rule to ban proprietary trading by financial institutions, a Bloomberg News survey shows. Seven out of 10 investors support moving trades of standardized derivatives to exchanges while slightly more than half reject a rule that would force financial companies to separate their swaps desk from commercial banking, according to a global quarterly poll of investors and analysts who are Bloomberg subscribers. Investment professionals said they want to see changes to rein in risk-taking, the survey showed, even after Wall Street firms spent months lobbying against much of the regulatory overhaul put forth by President Barack Obama and U.S. lawmakers. (Bloomberg)

The Hong Kong government's HK\$10.9 billion (US\$1.4 billion) sale of a residential site at a public auction beat estimates and showed home demand is withstanding efforts to cool the market. Sun Hung Kai Properties Ltd., the world's biggest developer by market value, yesterday won the 1 ½-hour bidding for the Ho Man Tin district site that was estimated at HK\$8.41 billion, according to the median of seven analysts surveyed by Bloomberg News. At HK\$12,540 per square foot, it is the highest price paid in a government auction in urban Hong Kong since the market peaked in 1997, said Centaline Property Agency Ltd. Home prices have risen 41 percent since the end of 2008, prompting the government to tighten down-payment requirements for luxury homes in October to curtail speculation after record-low interest rates fuelled the surge. Financial Secretary John Tsang on May 12 pledged to keep boosting land supply. (Bloomberg)

To cap off a period of significant developments at **Proton Holdings** (PROTON), the company announced it was not seeking to sell a stake in subsidiary Lotus. In a statement yesterday, Proton announced it has received several unsolicited offers for a stake in Lotus but has decided against paring down its shareholding in the British auto company. "While Proton takes cognisance of such offers, the board wishes to state that Lotus is and continues to be a strategic entity within Proton, as well as a technology catalyst for Proton," it said in a statement. (Star)

Tien Wah Press Holdings Bhd (TIENWAH) plans to raise at least RM21.3mil by selling new shares to existing shareholders at a sharp discount to its theoretical ex-rights issue price (TERP). It told the stock exchange yesterday proceeds from the fund-raising exercise would be loaned to 51%-owned unit Max Ease International Ltd (MEIL) to help reduce loans taken for the acquisition of Anzpac Services (Australia) Pty Ltd that was completed in October 2008. TWPH said the proposed rights issue and financial assistance plan would increase its capital base and improved its gearing position. The capital-raising plan involved a proposed 2-for-5 renounceable rights issue of up to 27.57 million shares. The rights shares were offered at RM1.10 apiece, which was 38% lower than its TERP price of RM1.78, TWPH said. (Star)

The **Kenmark Industrial Co (M) Bhd** (KENMARK) saga continues with the man in the middle of the controversy, James Hwang, shrinking his stake in the furniture maker from 29.93% as at April 23 to 7.96% currently. This should explain the heavy selling of the shares on May 31 to June 2 by several brokerages in the country and the buyer could well be Datuk Ishak Ismail, who now directly and indirectly controls 32% stake in Kenmark. With Hwang's stake down, Ishak is the single largest shareholder in the furniture maker. Hwang is still managing director of the company and is ill in China. Kenmark's shares were suspended by Bursa Malaysia at 9am yesterday pending clarification from the company as to why it posted such a shocking set of financial results with a net loss of RM146mil for the fourth quarter ended March 31, 2010. The new directors were also hauled up by both Bursa and the Securities Commission to explain the huge losses. By yesterday evening, Kenmark made all the necessary announcements and it must have furnished enough information for Bursa to allow its shares to resume trading today. Its shares were last traded at 27 sen. (Star)

Malaysian builder **Mudajaya Group Bhd** (MUDAJYA) is looking for more new profitable projects both locally and overseas, and has set a target to add at least RM1bil a year to its order book. The company's excellent track record in the construction industry coupled with a strong and professional management team as well as healthy financial position gave Mudajaya a competitive advantage to secure and undertake new major projects, said managing director Ng Ying Loong. "Basically, we have a few on-going jobs in hand. Currently, the total value of contracts we have secured is about RM6.4bil," he told reporters after the company's annual general meeting here yesterday. He said the company's financial performance this year would be as good as last year. (Star)

AirAsia (AIRASIA) group plans to seek separate listings for AirAsia X, Thai AirAsia and Indonesia AirAsia so that investors can clearly choose to invest on geographic and business models. The group said yesterday it plans to seek separate listings for AirAsia X, Thai AirAsia and Indonesia AirAsia so that investors can clearly choose to invest on geographic and business models. Long-haul affiliate AirAsia X may seek an initial public listing as early as the second half of next year. (BTimes)

AXIS Real Estate Investment Trust (AXREIT) is buying two parcels of land for RM134 million. The leasehold land are in Telok Panglima Garang and Petaling Jaya in Selangor. The REIT also plans to place out up to 69 million new shares or about 22.4 per cent of its existing units. It also wants to increase its existing approved fund size from about 307.08 million units up to a maximum of 375.9 million units. (BTimes)

Berjaya Corp Bhd's (BJCORP) share price slumped to its lowest in more than three months due to the uncertainty over the sports betting licence status of Ascot Sports Sdn Bhd. The stock fell 6.2 per cent, or 9 sen, to close at RM1.37 yesterday. It was the third most active stock traded on the exchange. Tan Sri Vincent Tan's BCorp was planning to buy 70 per cent of the privately-held Ascot for RM525 million. Ascot was granted the sports betting licence last month, but this has been met with mixed reaction from various groups, with most of them opposing the move. On Monday, the Finance Ministry said it might review the decision to allow sports betting and a final decision would be made next week after gathering public feedback. (BTimes)

Hong Leong Bank (HLBANK) has asked Bank Negara on June 4 for more time to talk to EONCap as its offer has yet to reach the latter's shareholders. Hong Leong Bank says there is no change to the structure of its all-cash takeover offer for smaller rival EON Capital Bhd (EONCap). In a filing to the stock exchange yesterday, Hong Leong said its RM5.06 billion offer as set out on April 1 this year would be maintained. It said this in response to a query over a report that its adviser had suggested a convertible equity option be structured into the offer. (BTimes)

The Securities Commission (SC) is believed to have started an investigation of **Linear Corp Bhd** (LINEAR) after it was learnt that the company had paid out almost all of its cash to a company in Seychelles. An industry source told Business Times yesterday that the authorities intended to find out what had actually occurred in the company. "They (SC) are gathering all the facts now," he said. As at March 31 2009, Linear had RM37 million in cash, according to its unaudited accounts. Last Friday, Linear told Bursa Malaysia Bhd that it had advanced RM36 million to Global Investment Group Inc (GIG) as a performance consideration to build a RM1.66 billion cooling tower in Manjung, Perak. "The advance was effected solely by a director of the company at the material time in an autocratic manner," Linear told the stock exchange. (BTimes)