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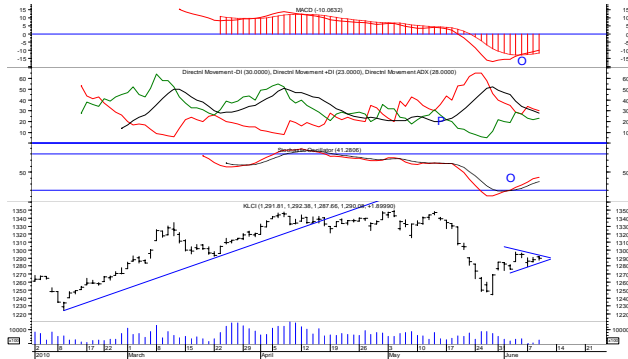
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## MARKET FLASH

### FBM KLCI

Thurs, 10 Jun 2010



### MARKET STATISTICS (9/6/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,290.08	+ 1.90
FBM 100	8,463.15	+ 23.10
FBM ACE	3,782.70	+ 7.81

Volume (m)	629.8
Value (RMm)	795.2
Up	344
Down	266
Unchanged	260

### FOREIGN

Nikkei	9,439.13	- 98.81
Hang Seng	19,621.24	+ 133.76
STI	2,745.80	- 0.81
Shanghai CI	2,583.87	+ 69.92

### BURSA MOVERS

Gainers	Close	Chg
DFZ	3.95	+ 0.23
Tahps	3.70	+ 0.22
Asiafile	4.67	+ 0.18
Sinotop	1.00	+ 0.17
Carlsbg	4.97	+ 0.17
Losers	Close	Chg
KMLoong-WA	0.78	- 0.18
DKLS	0.955	- 0.125
Kenmark	0.145	- 0.125
Tanjong	17.08	- 0.12
UtdPInt	14.00	- 0.10
Actives	Close	Chg
Kenmark	0.145	- 0.125
SAAG	0.085	- 0.005
IRCB	0.79	+ 0.01
Talam	0.14	=
Maxbiz	0.16	+ 0.02

### Today's Market Direction :

FBM KLCI would likely to trade **below 1,287.66** level after making attempt to go **lower/higher** than **1,292.38**.

### Market Buying Strength :

About **31%** of total market volume on **9/6/2010** was on buying side compared to **70%** in the preceding trading day.

### "Movement" in Strong Hands :

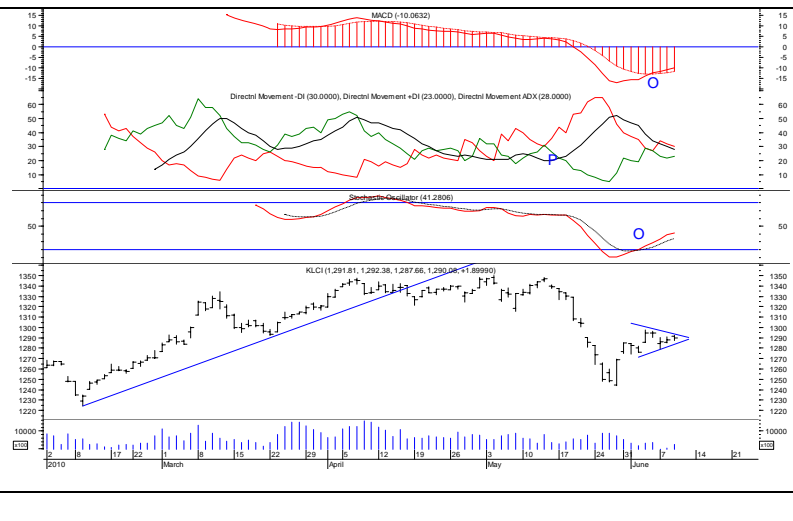
Strong hands were seen **acquiring** a portion of stock positions on **9/6/2010**.

### Pivot Point Studies for Intra-Day :

For Thursday (**10/6/2010**), 1<sup>st</sup> resistance @ **1,292.4** & 2<sup>nd</sup> resistance @ **1,294.7** ; 1<sup>st</sup> support @ **1,287.7** & 2<sup>nd</sup> support @ **1,285.3**.

**To read more .....**

## Technical Analysis – Daily FBM KLCI

	9/6/2010	8/6/2010	
Open	1,291.81	1,285.78	
High	1,292.38	1,290.80	
Low	1,287.66	1,285.07	
Close	1,290.08	1,288.18	
Volume	629.8	521.0 m	
<b>Market Breadth</b>			
Up	344	349	
Down	266	271	
Unchanged	260	221	
<b>Indicators</b>			
MACD	buy	buy	
DM Index	sell	sell	
Stochastics	buy	buy	

**To see a breakout of pennant pattern .....**

### Market Commentary :

Supported by Federal Reserve's Chairman Ben Bernanke saying of not expecting US economy to go back into recession, DJIA had on 8/6/2010 gained 123.49 points to close at 9,939.98.

The triple-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 9/6/2010. FBM KLCI only traded to a day low of **1,287.66** 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 **1,292.38** before settled at **1,290.08**.

The single-digit **rise** of **1.90** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.01), **Tenaga Nasional** (up RM0.05), **KLK** (up RM0.08), **Genting** (up RM0.03) and **Sime** (up RM0.01).

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

Market continued to keep its low above 1,280 level (9/6/2010) after the up close in the preceding day (8/6/2010). And, it was no surprise to see little follow thru buying pressure on 9/6/2010, because the higher high on 8/6/2010 would usually provide the visible sign to buy the next trading day. Again, there was no sign of aggressive supportive buying interest to lift the market higher on 9/6/2010. **Was it an indication of a change in game play from buying in the previous day to buying yesterday ?** The market scenario we observed in the last 2 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 9/6/2010.

**Why did the market trade higher on 9/6/2010 ?** Some traders were believed to have continued 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

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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.

**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 9/6/2010 showed that buying strength *improved marginally* with strong hand(s) seen *acquiring a small portion of buying positions*, the number of stock positions established on 9/6/2010 helped to improve the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to *31%* from *32%* in the preceding trading day (8/6/2010).

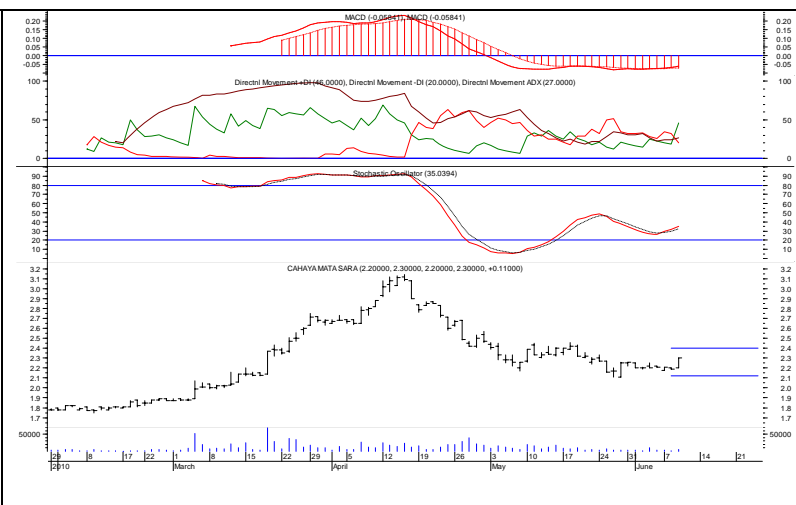
## Conclusion :

The short and medium term market outlook remained weak.

The analysis of overall daily market action(s) on 9/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,287.66 after making attempt to go higher than 1,292.38.

## Today's Hot Pick – CMSB

	9/6/2010	8/6/2010
Open	2.20	2.20
High	2.32	2.20
Low	2.20	2.19
Close	2.32	2.19
Volume	4,504	554
<b>Indicators</b>	9/6/2010	8/6/2010
MACD	buy	buy
DM index	buy	sell
Stochastics	buy	buy



**Chart wise :** *Overhead resistance at RM2.40 expected.....*

**CMSB** (2852 - MainBoard) had on 9/6/2010 crossed over RM2.26 hurdle to a day high of **RM2.32** before settled at **day high**.

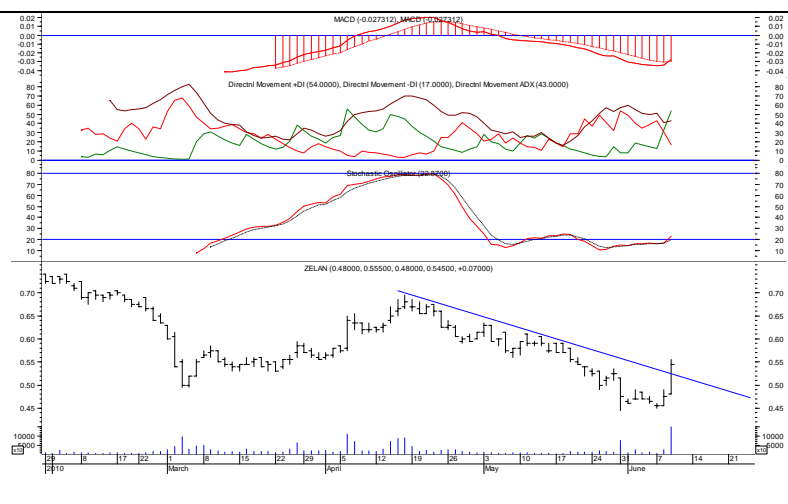
**Next Potential Upside Target :** With the upside violation of **RM2.26 level**, **CMSB** would thus be likely to trade upward with next upside target at **RM2.40**.

**Entry Level :** Risk taking traders may establish buying position at **RM2.27** as a pull back is seen likely.

**Stop Loss Level :** Once a buying position is being established, a stop loss at **RM2.19 level** **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

## Current Active Stock Review – Zelan

	9/6/2010	8/6/2010
Open	0.48	0.455
High	0.555	0.49
Low	0.48	0.455
Close	0.53	0.475
Volume	164,101	26,380
<b>Indicators</b>	9/6/2010	8/6/2010
MACD	buy	sell
DM index	buy	buy
Stochastics	buy	buy



**Chart wise :** *Volume surged.....*

**Zelan** (2283 - MainBoard) had on 9/6/2010 gapped up to cross over the downward sloping trend line extended from high of RM0.695 (16/4/2010) to connect the other high of RM0.605 (13/5/2010) to reach a day **high of RM0.555** before settled at **RM0.53**.

**Price Direction** .....

In view of an increase in market participation, the stock could be expected to trade **upward** in coming day(s) with an overhead resistance pegged at **RM0.57** and support at **RM0.48**.

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

A turnaround of prices to close **above RM0.70** level would see an immediate short term reversing direction in the stock.

## Active Stock Review – **BJ Corp Bhd**



### Chart wise

### Trading buy.

**BerJaya Corporation Bhd** (3395-Main Market-Trading/Services)

BJ Corp had been trending down possibly on concerns that the Government may not grant the sports betting license anyway. Profit-taking activities by investors who went in earlier at lower prices may have also contributed to the selling pressure.

However, the correction had cut down its valuation to attractive levels and bargain hunters may start to nibble given its still attractive fundamentals. The technical support is at RM1.33 while the resistance is at RM1.55.

## **MAJOR NEWS**

### **Commodity, Currency and Economic News**

**Crude palm oil (CPO) futures** on Bursa Malaysia Derivatives closed lower as investors remained concerned with the debt crisis in Europe, dealers said. They said the easier prices were also in line with the downtrend in soya oil prices. The June 2010 contract declined RM12 to settle at RM2,524 a tonne, July 2010 fell RM24 to RM2,454 a tonne, August 2010 eased RM14 to RM2,418 a tonne and September 2010 depreciated RM12 to RM2,395 a tonne. Volume increased to 25,459 lots from 14,202 lots yesterday while open interest also increased to 73,231 contracts from 71,105 contracts previously. (BTimes)

**The ringgit** closed higher against the US dollar yesterday as investors sold the greenback to book profits after its recent gains, dealers said. The ringgit was at 3.3170/3200 yesterday, compared with Tuesday's closing of 3.3240/3280. A dealer said the ringgit held steady yesterday, in line with other Asian currencies and also ahead of the 10th Malaysia Plan (10MP) announcement by Prime Minister Datuk Seri Najib Razak in Parliament today. Against other major currencies, the ringgit traded higher at close. (BTimes)

**New Zealand's** central bank raised its benchmark interest rate for the first time in three years, signalling that faster inflation is a bigger threat to growth than further gains in the nation's currency. "Underlying inflationary pressures are expected to increase," Reserve Bank Governor Alan Bollard said in a statement released in Wellington today after increasing the official cash rate to 2.75 percent from a record-low 2.5 percent. "Given the current low level of the cash rate, it is therefore appropriate to gradually remove policy stimulus." (Bloomberg)

**Federal Reserve** Chairman Ben S. Bernanke said the U.S. recovery, while being sustained by private demand, isn't as strong as he prefers and faces risks from Europe's debt crisis that may require further Fed action. U.S. growth is "not as fast as we would like," Bernanke told the House Budget Committee in testimony today just hours before the Fed's regional business survey said the economy expanded in all 12 Federal Reserve districts for the first time in more than two years, with a "modest" pace in many regions. Bernanke gave no indication he'll soon back off from the central bank's pledge to keep interest rates at a record low for an "extended period," given high unemployment and low inflation. Economists surveyed by Bloomberg News this month pushed back their forecast of higher rates to 2011 from late 2010, based on the median estimates. (Bloomberg)

**Japan's economy** expanded more than initially estimated in the first quarter as consumer spending and housing investment rose at a faster pace. Gross domestic product rose at an annual 5 percent rate in the three months ended March 31, quicker than the 4.9 percent reported in preliminary figures last month, the Cabinet Office said today in Tokyo. The median estimate of 18 economists surveyed by Bloomberg News was for 4.2 percent. None of the analysts predicted quicker growth. (Bloomberg)

**Steelmakers in China**, the largest in the world, may delay accepting higher contract iron ore prices after steel prices dropped and the European debt crisis roiled markets, the China Iron & Steel Association said. "The outlook for the European market is unclear and steel prices may keep falling," Shan Shanghua, general secretary of the association, said in an interview. "I dare say right now no Chinese steelmakers would accept the third-quarter prices asked" by Vale SA, Rio Tinto Group and BHP Billiton Ltd., he said. Vale, BHP and Rio, the biggest iron ore exporters, may demand a 30 percent price increase for the July quarter, China Steel Corp. said last month. Falling steel prices in China may force some mills to cut output and default on quarterly iron ore contracts, Baosteel Group Corp. said June 8. (Bloomberg)

**The euro** traded near a four-year low versus the dollar before the European Central Bank meets amid concern a sovereign debt crisis in the region will derail growth. New Zealand's currency climbed as Governor Alan Bollard raised the key interest rate for the first time in three years. The Australian dollar may climb on a report forecast to show employers added jobs for a third-straight month. The euro may extend this month's 2.6 percent decline after Goldman Sachs Group Inc. reversed a forecast for Europe's common currency to rise, saying it will fall to \$1.15 in three months on "continued policy mishaps." (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	9899.25	-40.73	-0.41	Nasdaq CI	2158.85	-11.72	-0.54
S&P 500	1055.69	-6.31	-0.59	FTSE 100	5085.86	57.71	1.15

### Global and Local Headlines

**U.S. stocks** fell, with declines in energy and banking shares wiping out early gains, as the cost to protect against default by BP Plc rose to a record amid concern over the fallout from the Gulf of Mexico oil spill. BP's U.S. shares slid 16 percent, the most since at least 1980, amid concern the company will need to cut its dividend to pay for the worst oil spill in U.S. history. Anadarko Petroleum Corp., which has a 25 percent stake in the leaking well, slid 19 percent to a 15-month low. Exxon Mobil Corp. and Bank of America Corp. lost about 2 percent as energy producers and financial companies also turned lower after the Federal Reserve's Beige Book survey said economic growth was subdued. (Bloomberg)

**China's** property prices rose at the second-fastest pace on record in May, showing little sign yet that the government crackdown on speculation will work to avert an asset-price bubble. The 12.4 percent gain compared with a record 12.8 percent increase in April from a year earlier. The residential and commercial price data for 70 cities was released today in statement in the National Bureau of Statistics newspaper. The data series began in 2005. (Bloomberg)

**European Central Bank** President Jean-Claude Trichet is under pressure to explain how far he's prepared to wade into government bond markets as the ECB's purchases split policy makers and borrowing costs in some countries continue to climb. Since the ECB announced its bond program on May 10 to restore "normal functioning" on markets, the extra yield that investors demand to hold Spanish and Italian debt has advanced to euro-era highs. Portuguese and Irish yields are also rising. Trichet holds a press conference at 2:30 p.m. in Frankfurt today after a policy meeting at which economists predict the ECB will leave its benchmark rate at a record low of 1 percent. (Bloomberg)

**BP Plc** bonds and credit-default swaps are trading as if the energy company has lost its investment-grade credit rating as costs mount from the cleanup of the worst oil spill in U.S. history. BP's \$3 billion of 5.25 percent notes due in 2013 fell as low as a record 89.94 cents today, pushing the yield to 7.57 percentage points more than Treasuries. The spread compares with the average of 7.26 percentage points for junk bonds, Bank of America Merrill Lynch indexes show. The cost to protect \$10 million of London-based BP debt for one year with credit-default swaps almost doubled to \$512,000, according to CMA DataVision. It was \$29,000 on April 30. (Bloomberg)

**The Government** may withdraw subsidies given to highway concession holders that operate on road stretches with alternative toll-free roads, said Works Minister Datuk Shaziman Abu Mansor. "It is justifiable to withdraw subsidies for these roads, as toll-free old roads are available for motorists to use. But the subsidies should be retained for highway stretches that have no clear alternative options for motorists to use," he said after inspecting the relocation of a sewage treatment plant in a nursing college project here yesterday.

A consortium led by **Hock Seng Lee Bhd** (HSL) has won a RM72.5mil contract from the Public Works Department to build an access road and two bridges linking Samarahan Technology Park and Tanjung Bako here. HSL has a 90% stake while bumiputra contractor Matrik Bestari Sdn Bhd, a 10% stake in the consortium. "The contract is for 30 months, with the project due for completion by December 2012," HSL managing director Datuk Paul Yu Chee Hoe said in a statement yesterday. He said the proposed two bridges would be built across Sungai Bayor and Sungai Jernang. (Star)

Bursa Malaysia Bhd is looking into **Berjaya Corp Bhd's** (BJCORP) proposed acquisition of a 70% stake in Ascot Sports Sdn Bhd and will take appropriate steps to ensure that proper disclosures are made, the Securities Commission (SC) and Bursa said in separate statements yesterday. "Should there be elements of misrepresentation or other breaches of securities laws, both Bursa and SC will take appropriate action as provided for by the listing rules and securities laws," they said. (Star)

**AirAsia X Sdn Bhd** (AAX) is considering the possibility of listing on the Hong Kong or New York stock exchange, which are options being proposed by a couple of foreign investment banks pitching to secure the mandate for the long haul budget carrier's initial public offering (IPO). Even so, no decision has been made on the listing venue of the IPO, which is being targeted for the second half of next year. "All the shareholders will need to be consulted on this issue, which has yet to be raised at board level. But the current foreign shareholders in AAX may be more inclined towards an overseas listing," said a source close to the exercise. (Star)

**Talam Corp Bhd** (TALAM) will be free from its Practice Note 17 (PN17) status company effective today. The company told Bursa Malaysia Bhd that with the completion of its regularisation plan, Talam has regularised its financial condition and no longer triggers any of the criteria under Paragraph 2.1 of PN17 of the Main Market Listing Requirements. (BTimes)

Pharmaceutical company **Hovid Bhd** (HOVID), via subsidiary Agrovid SA, plans to invest RM3 million over five years to plant oil palms in Columbia. "It wasn't an overnight decision. We thought about it as early as 10 years ago," Hovid managing director David Ho told Business Times in a telephone interview from Ipoh. (BTimes)

**I-Berhad** (IBHD), developer of the RM2 billion i-City project in Shah Alam, Selangor, obtained approval from the government in May to turn the project into a technopreneur campus. It thus has potential to attract talents not only from Malaysia, but also from across the region. Malaysia can be the next launch pad for a pool of world talented technopreneurs and have its own Silicon Valley success stories with i-City's new status as a technopreneur campus. i-City, which is now 20 per cent completed, is a 29ha project that boasts broadband speed of 20Mbps, with a fibre-optic network and a back-up power supply. (BTimes)

**SP Setia Bhd** (SPSETIA), the country's largest property developer by sales, is targeting to launch its much-talked-about KL Eco City, a RM6 billion project in Kuala Lumpur, by December. "We postponed the launch of KL Eco City previously because of what was happening globally. We hope this time the project will come on stream as planned," SP Setia president and chief executive officer Tan Sri Liew Kee Sin told reporters. KL Eco City, described as a green mixed development, is located opposite Mid Valley Megamall. It will be developed in three phases over some 10 years. SP Setia will build office towers, condominiums and signature offices, including an area for retail. (BTimes)