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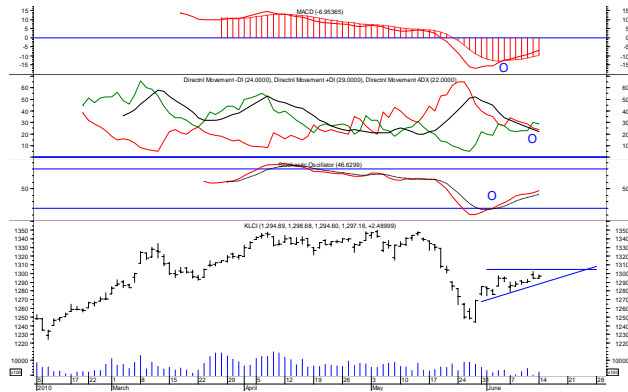
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MARKET FLASH

FBM KLCI

Tues, 15 Jun 2010



MARKET STATISTICS (14/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,297.16	+ 2.49
FBM 100	8,516.12	+ 20.60
FBM ACE	3,814.44	+ 17.99

Volume (m)	502.1
Value (RMm)	665.4
Up	302
Down	242
Unchanged	269

FOREIGN

Nikkei	9,879.85	+ 174.60
Hang Seng	20,051.91	+ 179.53
STI	2,818.07	+ 21.78
Shanghai CI	2,569.94	+ 7.36

BURSA MOVERS

Gainers	Close	Chg
Pharma	5.49	+ 0.39
LPI	15.36	+ 0.36
Sinotop	1.37	+ 0.30
KFC	8.55	+ 0.19
SEG	3.23	+ 0.19
Losers	Close	Chg
Shell	10.44	- 0.16
DFZ	3.55	- 0.13
Yoko	1.25	- 0.10
DLady	12.10	- 0.10
UtdPlant	14.10	- 0.10
Actives	Close	Chg
Aim	0.16	- 0.01
Talam	0.13	- 0.01
Kenmark	0.13	- 0.025
Affin-wc	0.015	=
SAAG	0.085	=

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,298.68 level.

Market Buying Strength :

About **77%** of total market volume on 14/6/2010 was on buying side compared to **24%** in the preceding trading day.

"Movement" in Strong Hands :

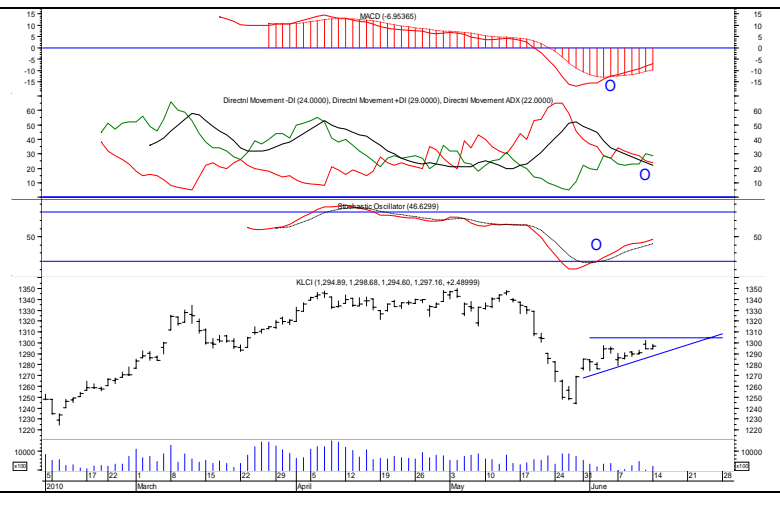
Strong hands were seen **acquiring** a portion of stock positions on 14/6/2010.

Pivot Point Studies for Intra-Day :

For Tuesday (**15/6/2010**), 1st resistance @ 1,299.0 & 2nd resistance @ 1,300.8 ; 1st support @ 1,294.9 & 2nd support @ 1,292.7.

To read more

Technical Analysis – Daily FBM KLCI

	14/6/2010	11/6/2010	
Open	1,294.89	1,298.51	
High	1,298.68	1,302.07	
Low	1,294.60	1,294.67	
Close	1,297.16	1,294.67	
Volume	502.1 m	501.7 m	
Market Breadth			
Up	302	380	
Down	242	193	
Unchanged	269	282	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Still within triangle

Market Commentary :

Supported by ease of fears on global growth amid US 1.2% monthly drop retail sales for May 2010 , DJIA had on 11/6/2010 gained 38.54 points to close at 10,211.07.

The double-digit rise in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 14/6/2010 with FBM KLCI only traded to a day low of **1,294.60** as traders were seen reluctant to stage an immediate follow thru selling pressure. In the absence of stronger selling pressure in area of 1,294.60, light renewed buying support rolled in, this lifted stock index to a day high of **1,298.68** before settled at **1,297.16**.

The single-digit **rise** of **2.49** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Maybank** (up RM0.02), **IOI Corp** (up RM0.03), **Genting** (up RM0.02), **TM** (up RM0.01) and **Sime Darby** (up RM0.01).

What was the chart saying

Having failed to stay in 1,300 zone last Friday (11/6/2010), market could not find the strength to climb back up as there seemed to have no good reason to prop up the stock index at this moment. It was indeed a surprise to see no immediate follow thru selling pressure yesterday given the visible weak market signal on 11/6/2010.

Was this an indication of a change in game play from buying yesterday to selling today (15/6/2010) ? The overall market scenario we observed in the last 5 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 14/6/2010.

Why didn't the market trade higher on 14/6/2010 ? Stock trading has a lot to do with confidence without confidence of seeing a potential market rise, any attempt(s) to push market

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into higher ground would eventually be proven futile even though the fall to a day low of 1,278.89 on 7/6/2010 was viewed a technical pullback by some traders to trade upside 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.

Can market cross over 1,300 hurdle again ? What we saw on chart now was higher highs and higher lows since 31/5/2010 (except 14/6/2010), and that was a friendly market development. Thus, market could still make more attempts to break into 1,300 level again While these market changes are linked up into inter-locking trend structure of various waves of market movement; but, traders must be convinced of greater market participation before parting their monies into stock market.

Ladies & gentlemen, we had said in our market report dated 2/6/2010 that " **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.* (FYI, market rose to a day high of 1,297.75 on 3/6/2010).

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 14/6/2010 showed that buying strength *improved* with strong hand(s) seen *acquiring a small portion of buying positions*, the number of stock positions *acquired* on *14/6/2010* reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to *38%* from *40%* in the preceding trading day (11/6/2010).

Conclusion :

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

The analysis of overall daily market action(s) on 14/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,298.68.

Today's Hot Pick – **AHealth**

	14/6/2010	11/6/2010
Open	2.94	2.95
High	3.04	2.96
Low	2.94	2.93
Close	3.04	2.93
Volume	942	717
Indicators	14/6/2010	11/6/2010
MACD	buy	sell
DM index	buy	sell
Stochastics	buy	buy

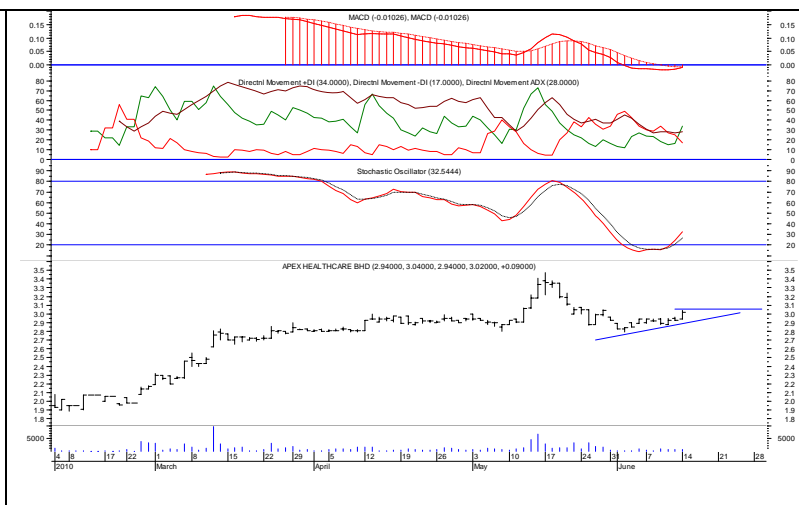


Chart wise : *In position to go higher*

AHealth (7090-MainBoard) had on 14/6/2010 crossed over RM2.95 level to reach a day high of RM3.04 before settled at RM3.04.

Next Potential Upside Target : With the upside violation of RM2.94 level, **AHealth** would thus be likely to trade upward with next upside target at RM3.18.

Entry Level : Risk taking traders may establish buying position at RM3.00.

Stop Loss Level : Once a buying position is being established, a stop loss at RM2.93 level must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – Unisem

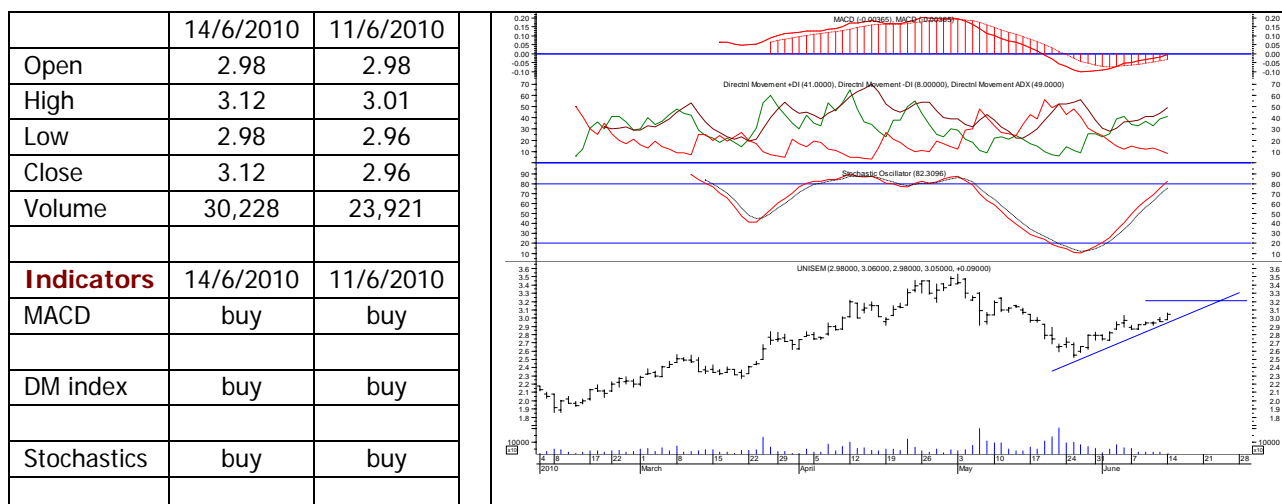


Chart wise : *Resistance at RM3.20 level seen.....*

Unisem (5005 - MainBoard) had on 14/6/2010 crossed over the immediate high of **RM3.03** (6/4/2010) to a day **high of RM3.12** before settled at **day high**.

Price Direction

In view of an **increase** in market participation, the stock could be expected to trade **with upside bias** in coming day(s) with an overhead resistance pegged at **RM3.20** and support at **RM2.95**.

What to watch for

A turnaround of prices to close **below RM2.95** level would see an immediate short term reversing direction in the stock.

MAJOR NEWS

Commodity, Currency and Economic News

The **yen** traded near a one-week low versus the dollar as speculation the worldwide economic recovery is intact damped demand for the safety of Japan's currency. The yen was close to a four-week low versus New Zealand's dollar before reports that may show manufacturing in the New York region expanded at a faster pace and U.K. inflation stayed above the government's 3 percent upper limit. The euro retreated from near a two-week high versus the greenback after Moody's Investors Service lowered Greece's credit rating to non-investment grade. (Bloomberg)

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 3.2600/2630 compared with 3.2820/2870 last Friday. A dealer said, the local unit gained further momentum boosted by the euro's gains and risk appetite sustained from last week, thus contributing to the global economic recovery optimism. The ringgit also traded mixed against other major currencies yesterday. (BTimes)

Prices on the **crude palm oil futures** contract market ended higher on Bursa Malaysia Derivatives yesterday on reports of bullish demand of soyoil from China, dealers said. The June 2010 and July 2010 contracts gained RM25 each to settle at RM2,549 per tonne and RM2,455 per tonne respectively. August 2010 and September 2010 rose RM24 each to be at RM2,410 per tonne and RM2,384 per tonne respectively. Turnover was lower at 11,103 lots compared to 19,312 lots last Friday while open interest rose to 78,541 contracts from 77,512 contracts. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10190.89	-20.18	-0.20	Nasdaq CI	2243.96	0.36	0.02
S&P 500	1089.63	-1.97	-0.18	FTSE 100	5202.13	38.45	0.74

Global and Local Headlines

U.S. stocks halted a global rally as Greece's credit rating was cut and the Standard & Poor's 500 Index failed to hold above levels watched by traders who base investment decisions on charts. Treasuries pared losses, while the euro rallied on signs the region's economy is strengthening. The S&P 500 fell 0.2 percent to 1,089.63 at 4 p.m. in New York after gaining 1.3 percent earlier to 1,105.91, near its 200-day average of about 1,108. The MSCI World Index of stocks in 24 developed nations advanced 1 percent for a fifth consecutive gain, its longest streak since October. Ten-year Treasury yields rose 2 basis points to 3.26 percent after jumping 9 basis points earlier. The euro climbed 0.9 percent to top \$1.22. (Bloomberg)

Japanese stocks fell for the first time in four days as a reduction of Greece's credit rating raised concerns the global economic recovery will slow. Konica Minolta Holdings Inc., which counts Europe as its biggest market, lost 1.1 percent. Mitsui & Co., Japan's second-largest trading company, declined 2.1 percent following a plunge by BP Plc, struggling to contain its oil spill in the Gulf of Mexico. Shinsei Bank Ltd. dropped 2.2 percent after its share price estimate was reduced at Nomura Holdings Inc. The Nikkei 225 Stock Average fell 0.4 percent to 9,847.06 as of 9:15 a.m. in Tokyo. The broader Topix index retreated 0.2 percent to 876.78. (Bloomberg)

Greece's credit rating was cut to non-investment grade, or junk, by Moody's Investors Service, threatening to further undermine demand for the debt-strapped nation's assets as it struggles to rein in its budget deficit. In making the four-step downgrade to Ba1 from A3, Moody's cited "substantial" risks to economic growth from the austerity measures tied to a 110 billion-euro (\$134.5 billion) aid package from the European Union and the International Monetary Fund. The lower rating "incorporates a greater, albeit, low risk of default," Moody's said in a statement yesterday in London. The outlook is stable, it said. Greece has cut spending, raised taxes and trimmed wages to tackle the deficit, which swelled to 13.6 percent of gross domestic product last year, more than four times the EU limit. To secure the EU-IMF aid, the government pledged to trim the shortfall to 8.1 percent of GDP this year and bring it back under the 3 percent EU ceiling in 2014. The crisis has prompted investors to sell the bonds of Greece and other high-deficit nations and pushed the euro down 15 percent this year. (Bloomberg)

Malaysians can withdraw money from their **Employees Provident Fund (EPF)** account from today for the treatment of 36 critical illnesses compared to only 13 previously. However, the Malaysian Trades Union Congress has slammed the move, saying the money should be kept for one's old age and that the Government should absorb the costs through its hospitals and healthcare benefits. (Star)

Gamuda Bhd and MMC Corp Bhd's joint **mass rapid transit (MRT) proposal** is still at a preliminary stage as it has yet to be evaluated by the Cabinet, said a source close to the matter. The source, however, confirmed that the Finance Ministry had received the MRT proposal by Gamuda, adding that he was not aware if other parties had submitted similar proposals. He said the Government had set up a special task force within the Cabinet committee on public transport to study the proposal. Under the 10th Malaysia Plan, an MRT project for the Klang Valley has been identified to improve the city's public transport system. The project, estimated to cost RM36bil, will be the biggest infrastructure project in the country to date. (Star)

Sime Darby Bhd's (SIME) board has appointed Datuk Mohd Bakke Salleh as its new president and group chief executive officer to take effect "as soon as is practicable". Bakke, currently group president and chief executive officer of Felda Global Ventures Holding Sdn Bhd, "has the necessary experience in corporate restructuring exercises as well as management expertise in the plantation and property industries," Sime Darby chairman Tun Musa Hitam said at a press conference yesterday. Bakke earned his spurs after he helped to restructure Lembaga Tabung Haji in 2001-2002 following fraudulent withdrawals and poor investment decisions. The 56-year-old Bakke is currently group president and chief executive of Felda Global Ventures Holdings Sdn Bhd, the overseas investment arm of Felda Group. Bakke is also chairman of Bank Islam since 2008, a director of BIMB Holdings Bhd, a director of Amanah Raya Bhd and a commission member of the Securities Commission. (Star/BTimes)

Boustead Heavy Industries Corp (BHIC) said it was awarded a RM130.7mil contract from the Malaysia's Maritime Enforcement Agency to supply 10 fast-interceptor craft. BHIC would design, construct and commission the vessels, it said in a filing to Bursa yesterday. (Star)

The decision by Khazanah Nasional Bhd's UEM Group Bhd to hive off **Pharmaniaga Bhd** (PHARMA) does not run counter to its focus on healthcare, a source close to the Government investment arm said. "Khazanah's preference is to invest in hospitals and not pharmaceuticals. That explains why UEM's stake in Pharmaniaga has been up for sale for some time now," said the source. Pharmaniaga's main business is in the manufacture of generic pharmaceuticals and it has a concession agreement to supply its products to government hospitals nationwide. (Star)

Datuk Ishak Ismail has netted an estimated RM5mil from selling shares in **Kenmark Industrial Co (M) Bhd** (KENMARK), a company that he had started buying into slightly over a week ago. Then, Kenmark's shares had collapsed following the absence of its top officials and what seemed like a cessation of its business. It is estimated that Ishak paid around 8 sen per Kenmark share and had emerged with around 57 million shares in Kenmark through his vehicles Unioncity Enterprises Ltd and BHLB Trustee Bhd. In a filing with Bursa Malaysia yesterday, Kenmark said Ishak had ceased to be substantial shareholder of the company as of June 9. (Star)

Hexagon Holdings Bhd (HEXAGON) announced yesterday that its subsidiary, Polymer Composite Asia (Shanghai) Co Ltd, has been awarded an undertaking to manufacture, supply and install retail furniture and fittings for a top electrical appliance corporation in China for 60 million renminbi (about RM28.8mil). Polymer Composite was also awarded an undertaking to manufacture and supply price marker units for a global automotive joint venture corporation in China for its automotive sales retail outlets. The value of this contract is estimated to be 7.0 million renminbi (about RM3.3mil). (Star)

KUB Malaysia Bhd (KUB) subsidiary KUB Telekomunikasi Sdn Bhd has been awarded a RM29.5mil TV station contract from Al Hijrah Media Corp. In a statement yesterday, KUB said it would provide equipment and engineering services to TV Al Hijrah – a high-definition digital broadcast centre due for completion in October. TV Al Hijrah was a new-concept, free-to-air TV station scheduled for transmission by year-end, it added. (Star)

Bursa Malaysia has reprimanded **Puncak Niaga Holdings Bhd** (PUNCAK) for breaking a listing rule more than a year ago. It has also ordered Puncak, which operates water treatment plants and supplies treated water to consumers, to have four quarterly reports reviewed by its external auditor. The limited review has to start from its quarterly report for the period to June 30 2010, Bursa said in a statement. Puncak must also ensure all its directors and the relevant staff of the company attend a training programme in relation to compliance with the listing rule particularly pertaining to financial statements, it said. Puncak reported an unaudited net profit of RM24.6 million for the fourth quarter to December 31 2008. However, it then posted an audited net profit of RM21.57 million. The difference of some RM3 million is a deviation of more than 12 per cent. (BTimes)

Amir Hamzah Azizan been named chief executive of **Petronas Dagangan Bhd** (PETDAG), a petroleum products retailer, effective today. He replaces Mohamad Sabarudin Mohamad Amin. Amir was the former CEO of MISC Bhd, the world's largest carrier of natural gas. (BTimes)

Scomi Group Bhd (SCOMI) said creditors of wholly-owned unit Scomi Oilfields Ltd have agreed to defer the repayment of its RM630 million medium-term notes by three years and put in place new profit rates. The notes will now mature between December 2013 and December 2016. They have also agreed that between 2010 and 2013, pre-determined amounts of the notes would be redeemed by Scomi, the group said in a statement to Bursa Malaysia. (BTimes)