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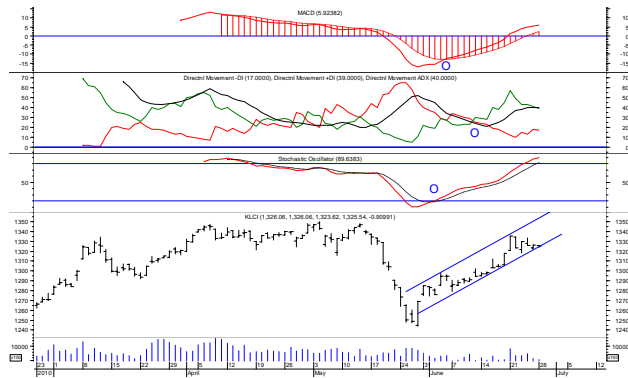
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MARKET FLASH

FBM KLCI

Tuesday, 29 Jun 2010



MARKET STATISTICS (28/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,325.54	- 0.91
FBM 100	8,771.90	- 9.86
FBM ACE	3,834.18	- 32.72
Volume (m)	535.3	
Value (RMm)	778.3	
Up	277	
Down	340	
Unchanged	241	

FOREIGN

Nikkei	9,693.94	- 43.54
Hang Seng	20,726.68	+ 35.89
STI	2,869.99	+ 18.35
Shanghai CI	2,535.28	- 17.54

BURSA MOVERS

Gainers	Close	Chg
Cepco	2.55	+ 0.55
Panamy	18.20	+ 0.30
Topglove	13.66	+ 0.28
Harta	8.18	+ 0.25
Kossan	7.81	+ 0.22

Losers	Close	Chg
Hai-o	3.87	- 0.25
PPB	16.30	- 0.22
SEG	4.26	- 0.19
BJLand	4.23	- 0.17
Ewein	0.85	- 0.15

Actives	Close	Chg
Time	0.395	+ 0.035
BJCorp	1.23	- 0.13
Keuro	1.01	+ 0.07
Timecom	0.465	+ 0.025
Talam	0.125	=

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,323.62 level.

Market Buying Strength :

About **39%** of total market volume on 28/6/2010 was on buying side compared to **83%** in the preceding trading day.

"Movement" in Strong Hands :

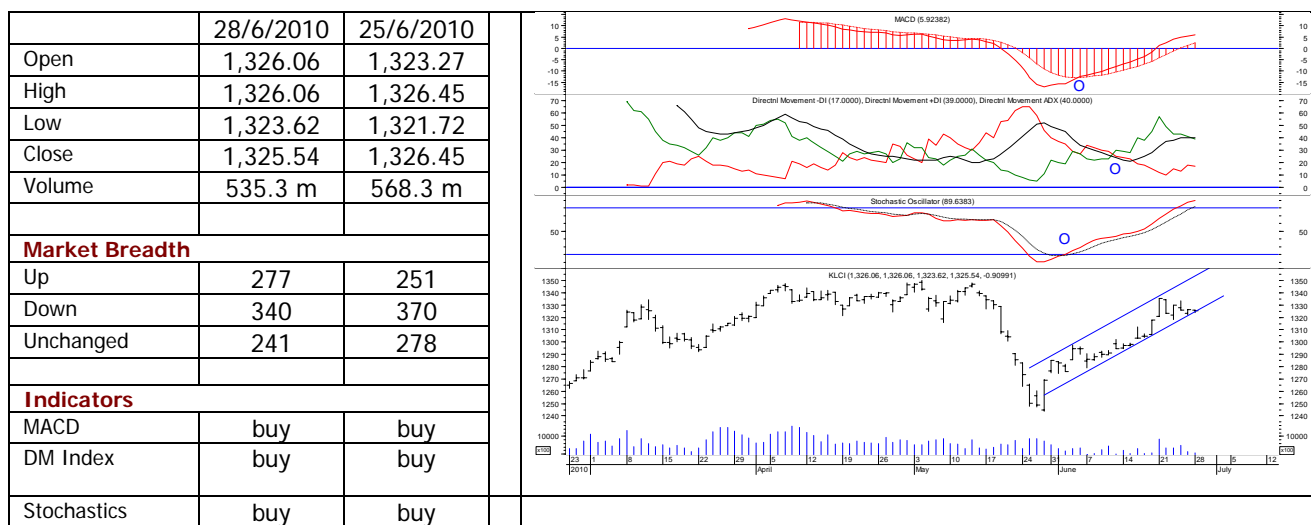
Strong hands were seen **liquidating** a portion of stock positions on 28/6/2010.

Pivot Point Studies for Intra-Day :

For Tuesday (29/6/2010), 1st resistance @ 1,326.5 & 2nd resistance @ 1,327.5 ; 1st support @ 1,324.0 & 2nd support @ 1,322.6.

To read more

Technical Analysis – Daily FBM KLCI



Indecisive game play

Market Commentary :

Relieved by the agreement on financial regulation bill in assuring new rules would not devastate financial companies' profits, DJIA had on 25/6/2010 shed 8.99 points to close at 10,143.81.

The single-digit drop in Wall Street cast a minor dampening effect on Bursa Malaysia in the opening bell on 28/6/2010, FBM KLCI only traded to a day high of **1,326.06** as traders were seen not keen to play on buying side. In the absence of stronger buying support, profit taking activity rolled in, this pushed stock index down to a day low of **1,323.62** before settled near day high at **1,325.54**.

The **drop of 0.91** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB (down RM0.01)**, **TM (down RM0.02)**, **IOI (down RM0.01)**, **Tanjong (down RM0.04)** and **Bursa Malaysia (down RM0.08)**.

What was the chart saying

Market confined its trading activity in a small range yesterday (28/6/2010) following a smaller volume on a day high closing last Friday. The lower high market scenario on 28/6/2010 was not much expected as traders had on 25/6/2010 exhibited certain amount of intention to pull the market higher the next day (28/6/2010), this had created an inside day bar. An inside day bar reflected a balance between buyers and sellers with both types of player reluctant to engage in a more aggressive trading style.

Will this be an indication of more selling today (29/6/2010) ? What happened on 25/6/2010 was an attempt to keep the market afloat, and the marginal **down close** on 28/6/2010 was again seen as a trading move to neutralize the 32 points rise on 18/6/2010 & 21/6/2010. This basically suggested that the bears were still sceptical about this market potential to go far up.

The upside gap left behind on 21/6/2010 remained unfilled at this moment despite a lower low scenario on 23/6/2010. **Will this upside gap be filled ?** The unfilled gap (high of 1,317.69 and low of 1,318.52 on 23/6/2010) was less than a point, and there would still be a possibility of market to close this gap. An unfilled upside gap plus a higher market above 1,336 level would indicate the readiness of this market to gun down the immediate high of 1,349.52 (5/4/2010); however, on the contrary, should market gap down to leave behind a space lower than 1,318.52, bearish traders would be expected to play a more aggressive selling game.

While the earlier evaluation of what happened from 21/6/2010 to 23/6/2010 seemed to point to certain amount of market support keeping the market from a severe decline, because the bulls that took the market to 1,335.31 (21/6/2010) were feeling good about what they had accomplished so far and would want to protect it as "hard" as possible; but, this market would not look "healthy" if the stock index were to continue to drag its feet in such a manner as there would create a higher tendency for traders to play a selling game.

Why didn't the market trade higher on 28/6/2010 ? It still boiled down to buying confidence At this juncture, the shift in market psychology that took place on 18/6/2010 would likely to stay on as this kind of shift was not easy especially when bears had earlier on pushed the market down to a low of 1,243.86 on 27/5/2010.

And, the cluster of trading bars in the last 6 days (21/6/2010 – 28/6/2010) had implied a range bound situation with neither bulls nor bears seen willing to pull the next trigger, both bulls and bears were seen waiting for the right timing to act, the answer should be unveiled today. And, a surrender of 1,320 level would open up the room for market to trade lower.

With the market traded higher than 1,313.88 to 1,332.50 on 21/6/2010, what would likely happen to the market now ? The higher high market scenario on 21/6/2010 was indeed a positive move to indicate something good to follow resistance pegged at 1,350 level with support at 1,310.

What were the strong hands doing

A check of internal market strength on 28/6/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, *the number of stock positions established on 28/6/2010 added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 45% from 23% in the preceding trading day (25/6/2010).*

Conclusion :

The short term market outlook turned positive with medium term remained fragile; but, on improving scale.

The analysis of overall daily market action(s) on 28/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,323.62.

Today's Hot Pick – D & O

	28/6/2010	25/6/2010
Open	0.695	0.685
High	0.735	0.685
Low	0.695	0.67
Close	0.71	0.68
Volume	6,868	559
Indicators	28/6/2010	25/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell

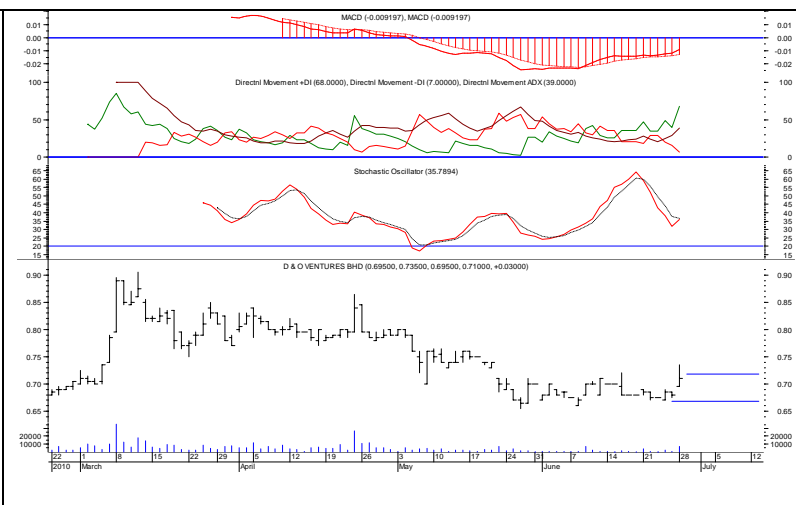


Chart wise : *Gapped up plus volume*

D & O (7204 - MainBoard) had on 28/6/2010 crossed over the immediate high of **RM0.72** (16/6/2010) to an intra-day **high of RM0.735** before settled at **RM0.71**.

Next Potential Upside Target : An upside violation of **RM0.72 level** again would likely see **D & O** to trade upward with next upside target at **RM0.79**.

Entry Level : Risk taking traders may establish buying position at **RM0.70** 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 **RM0.67 level** **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – Time Eng

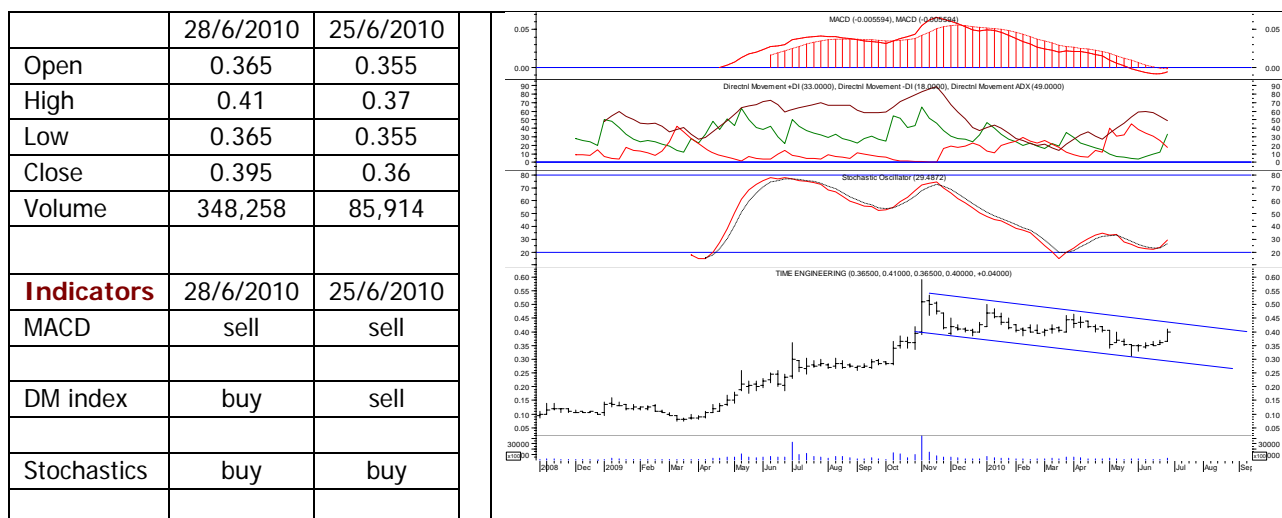


Chart wise : Resistance at downward sloping channel upper line of RM0.435 seen.....

Time Eng (4456 - MainBoard) had on 28/6/2010 crossed over the resistance at RM0.385 to a day high of RM0.41 before settled at RM0.395.

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 RM0.435 and support at RM0.33.

What to watch for

A turnaround of prices to close above RM0.435 level would see an immediate short term reversing direction in the stock.

Active Stock Review – CI Holdings Bhd

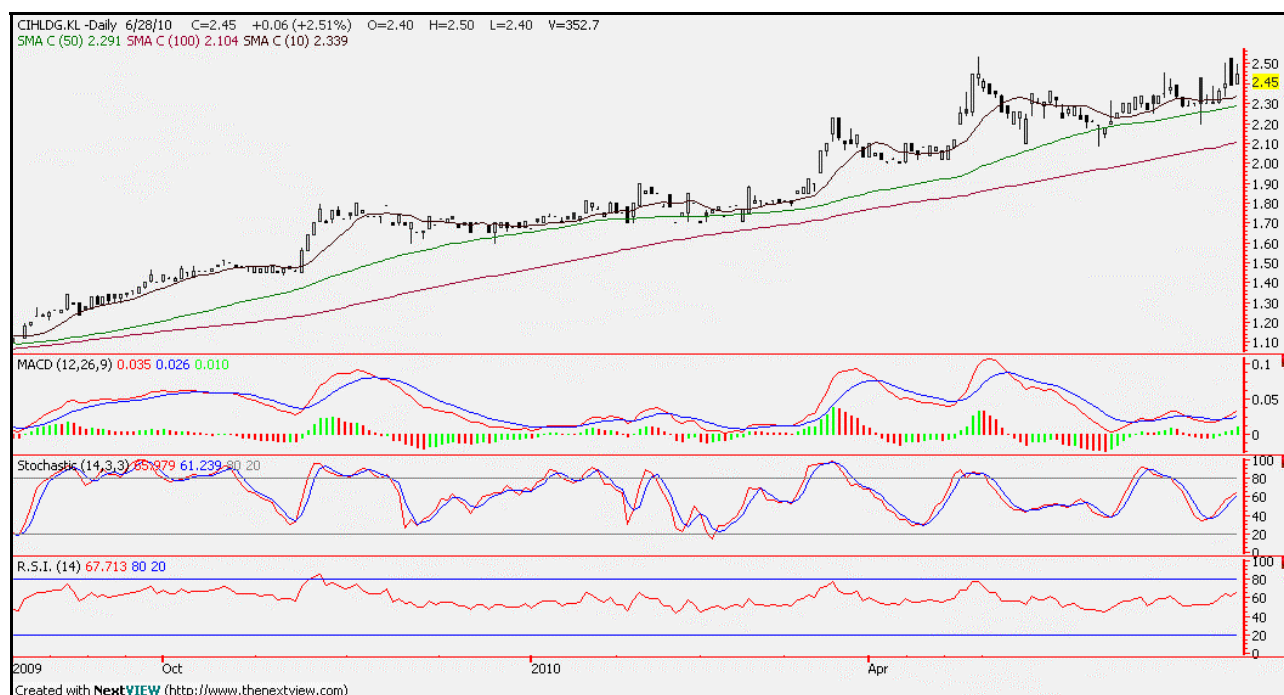


Chart wise

Trading buy.

CI Holdings Bhd (2828-Main Market-Consumer Products) – RM2.45

CI Holdings which had been bucking the sluggish market trend, reached a new 52 week high of RM2.54 recently. It breached the RM2.40 resistance which now acts as its support level. Currently, it is still on the way up, supported by rising moving averages as well as bullish technical indicators.

In the short term, CI Holdings may be facing some resistance as its technical indicators are getting overbought. Nevertheless, it should not be a concern if the RM2.40 support is maintained, which will form a base for further upside. However, should this support be broken, then caution is in order.

MAJOR NEWS

Commodity, Currency and Economic News

American incomes grew faster than spending in May, making it possible for American households to simultaneously increase savings and support the economic recovery. Consumer purchases rose 0.2 percent, exceeding the median forecast of economists surveyed by Bloomberg News, after little change the prior month, Commerce Department figures showed today. Incomes climbed 0.4 percent, and the savings rate increased to the highest level in eight months. Gains in payrolls, longer workweeks and rising pay give Americans more confidence and the means to maintain spending in coming months. The Federal Reserve's decision last week to keep interest rates unchanged may help households weather the fallout from the European debt crisis, unemployment hovering near a 26- year high and tight credit. (Bloomberg)

Japan's unemployment rate unexpectedly rose to 5.2 percent in May and households cut spending for a second month, adding to evidence that consumer outlays are too weak to drive the economic recovery. The jobless rate climbed from April's 5.1 percent, the statistics bureau said today in Tokyo. The median forecast of 24 economists surveyed by Bloomberg News was for a drop to 5 percent. Household spending slid 0.7 percent from a year ago. A separate report showed industrial production fell in May as manufacturers accumulated inventories, an indication that global demand may be cooling. The strength of spending by Japanese consumers will depend on whether improvements in jobs and incomes are enough to offset a fading of stimulus boosts, according to economist Yoshiki Shinke. (Bloomberg)

Group of 20 leaders responded to the European debt crisis with deficit-reduction targets and agreed to pursue higher capital requirements for banks once economic recoveries take hold. Advanced G-20 economies will aim to halve deficits by 2013 and start to stabilize their debt-to-output ratios by 2016, the group said in a statement yesterday after a meeting in Toronto. Leaders said nations can move at their own pace and also pledged to fulfill existing stimulus plans. While President Barack Obama is pushing his counterparts to focus on spurring growth, leaders in the U.K. and Germany are already tightening spending to bolster investor confidence. U.S. and European stocks both had their biggest weekly drops in more than a month last week as investors renewed concerns that countries may be unable to repay debts. (Bloomberg)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed higher yesterday on steadier demand, dealers said. They said higher crude oil and soyoil prices had encouraged buying interest in the CPO futures market. At close, July 2010 rose RM13 to RM2,464 per tonne, August 2010 increased RM14 to RM2,423 per tonne, September 2010 gained RM16 to RM2,400 per tonne and October 2010 added RM11 to RM2,384 per tonne. Turnover, however, fell to 8,026 lots from 8,947 lots last Friday and open interests declined to 75,805 contracts from 76,131 contracts previously. (BTimes)

The ringgit closed higher against the US dollar yesterday, as overnight gains on Wall Street boosted investor sentiment on Asian stock and currency markets, dealers said. The local currency advanced 3.2190/2230 from last Friday's 3.2510/2550. Dealers said expectations over the strengthening of China's yuan and continued weaknesses in the greenback, also bolstered the ringgit. The ringgit rose against the Singapore dollar at 2.3235/3288 from 2.3275/3320 on Friday and strengthened against the yen at 3.6031/6080 from 3.6271/6320 previously. (BTimes)

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Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10138.52	-5.29	-0.05	Nasdaq CI	2220.65	-2.83	-0.13
S&P 500	1074.57	-2.19	-0.20	FTSE 100	5071.68	25.21	0.50

Global and Local Headlines

Japanese and Australian stock futures fell as the euro weakened and commodity prices dropped. American depository receipts of Honda Motor Co., a carmaker that gets more than 80 percent of its sales abroad, fell 0.8 percent from the closing share price in Tokyo. Those of Mitsubishi Corp., Japan's largest commodities trader, dropped 0.7 percent. ADRs of Rio Tinto Group, the world's third-largest mining company, lost 1.6 percent from the Sydney close. (Bloomberg)

Sunway Holdings Bhd's (SUNWAY) wholly-owned unit Sunway Construction Sdn Bhd has won a RM129mil contract from PML Dairies Sdn Bhd to build a dairy product factory in Klang, Selangor. "The proposed project is targeted to be fully completed on July 11, 2011. It is expected to contribute positively to group earnings for the financial year ending Dec 31, 2010 onwards," it said. (Star)

The Employees Provident Fund (EPF) will pare down its stake in RHB Capital Bhd to 40% by mid-2011, said chief executive officer Tan Sri Azlan Zainol. "We have to sell down to 40% by the middle of next year," he said on the sidelines of Securities Commission-Bursa Malaysia Corporate Governance Week here yesterday. He said the state pension fund had not identified potential buyers for its 57% stake in the country's fourth-biggest bank by assets. (Star)

Property developer **IJM Land Bhd** (IJMLAND) has seen overwhelming response from Korean buyers for its RM500 million The Pearl Regency development on Penang island. Apart from an en bloc sale of the entire commercial portion of the project comprising 83 commercial units worth RM90 million to a Korean party, IJM has also seen 40 per cent of 574 condominiums sold to Koreans. The units, which were launched in Penang yesterday, were pre-sold to the Koreans in December last year in South Korea. (BTimes)

Singapore's **CapitaMalls Asia Ltd** could raise about RM860 million from the listing of its Malaysian assets in a real estate investment trust (REIT) on Bursa Malaysia. Held under CapitaMalls Malaysia Trust (CMMT), the portfolio is made up of Gurney Plaza in Penang, Sungei Wang Plaza in Kuala Lumpur, and the Mines in Selangor. CapitaMalls Malaysia REIT Management Sdn Bhd is the manager of CMMT. At the prospectus launch in Kuala Lumpur yesterday, chief executive officer Sharon Lim said CMMT is Malaysia's largest listed "pure-play" shopping mall REIT by market capitalisation and property value. (BTimes)

The Securities Commission (SC) is in the midst of preparing a new blueprint with a five-year action plan to further enhance corporate governance (CG) standards. SC chairman Tan Sri Zarinah Anwar said the comprehensive and forward-looking document will cover strategic priorities from board governance to active shareholder participation. The announcement comes in the wake of cases like Kenmark Industrial Co (M) Bhd, which is being investigated following its rapid financial decline, and Linear Corp Bhd's revelation that almost all of its cash was taken out by one director. (BTimes)

Kencana Petroleum Bhd's (KENCANA) pre-tax profit for the third quarter ended April 30 rose to RM36.53 million from RM35.05 million in the same period of 2009. Its revenue, however, declined to RM280.37 million from RM290.17 million previously, the company said in a filing to Bursa Malaysia in Kuala Lumpur yesterday. For the first nine months ended April 30, its pre-tax profit rose by 5 per cent to RM120.11 million from RM113.892 million in the same period last year. (BTimes)

Hai-O Enterprise Bhd (HAIO) lost RM50.55 million in market value yesterday after reporting weak fourth quarter numbers as its direct selling business was affected by tougher government rules. Hai-O's multi-level marketing (MLM) unit was recruiting fewer agents. This was a pre-emptive move by the company against the government's plan to amend the Direct Sales Act. Business Times understands that Hai-O had taken several measures to ensure that agents were not loading on stocks, which also led to the lower number of agents recruited. (BTimes)