



Mercury Securities Sdn Bhd (113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office
Wisma UMHO,
Lorong Bagan Luar Dua,
12000 Butterworth,
Seberang Perai.
Tel: 604-3322 123

KL BRANCH
L-7-2, Ilo 2,
Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel: 603-6203 7227

MELAKA BRANCH
81B & 83B,
Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka.
Tel: 606-292 1898

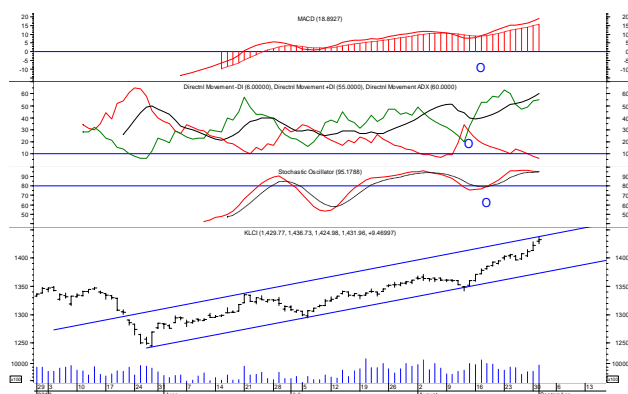
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhr Pantai,
10300 Penang.
Tel: 604-263 9118

JOHOR BRANCH
Menara Pelangi,
Suite 17.1, Level 17,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru.
Tel: 607-331 6992

MARKET FLASH

FBM KLCI

Thurs, 2 Sep 2010



MARKET STATISTICS (1/9/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,431.96	+ 9.47
FBM 100	9,356.80	+ 56.03
FBM ACE	3,681.46	- 13.09
Volume (m)	949.2	
Value (RMm)	2,076.9	
Up	307	
Down	476	
Unchanged	270	

FOREIGN

Nikkei	8,927.02	+ 102.96
Hang Seng	20,623.83	- 15.92
STI	2,982.83	- 32.50
Shanghai CI	2,622.88	- 15.92

BURSA MOVERS

Gainers	Close	Chg
BAT	45.50	+ 0.40
KFC	11.18	+ 0.38
PetGas	10.80	+ 0.30
SP Setia	4.58	+ 0.25
Naim	3.50	+ 0.22

Losers	Close	Chg
LM Cement	7.01	- 0.47
Layhong	1.95	- 0.27
HuatLai	1.14	- 0.23
JT Int.	5.45	- 0.20
Amtel	0.80	- 0.20

Actives	Close	Chg
KNM	0.44	- 0.045
Timecom	0.535	+ 0.035
Unisem-WA	0.575	+ 0.075
JCY	0.895	- 0.07
Axiata	4.55	+ 0.08

Today's Market Direction :

FBM KLCI would likely to trade **above** **1,436.73** level.

Market Buying Strength :

About **59%** of total market volume on 1/9/2010 was on buying side compared to **80%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a portion of stock positions on 1/9/2010.

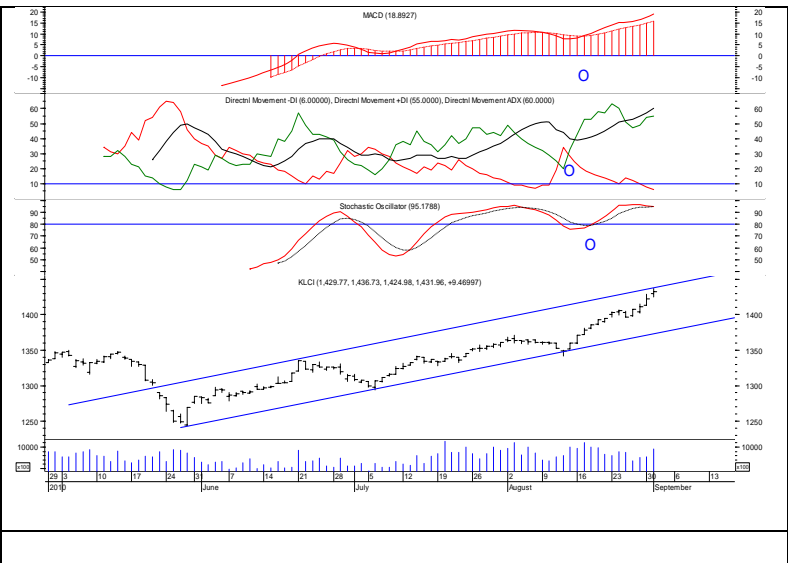
Pivot Point Studies for Intra-Day :

For **Thursday (2/9/2010)**, 1st resistance @ **1,437.4** & 2nd resistance @ **1,442.9** ; 1st support @ **1,425.7** & 2nd support @ **1,419.4**.

To read more

Technical Analysis – Daily FBM KLCI

	1/9/2010	30/8/2010
Open	1,429.77	1,412.98
High	1,436.73	1,428.44
Low	1,429.53	1,412.98
Close	1,433.0	1,422.49
Volume	949.2 m	769.2 m
Market Breadth		
Up	307	334
Down	476	377
Unchanged	270	281
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Highest since 21/1/2008

Market Commentary :

Affected by the Federal Reserve meeting on increasing concern about the economy, DJIA had on 31/8/2010 gained 4.99 points to close at 10,014.72.

The marginal single-digit gain in Wall Street injected another booster to Bursa Malaysia in the opening bell on 1/9/2010, FBM KLCI only traded to a low of **1,429.53** as traders chose not to play a selling game in anticipation of higher market. In the absence of stronger selling pressure in area of **1,429.53**, renewed buying interest rolled in, this lifted stock index higher into 1,430 zone to reach highest high of **1,436.73 since 21/1/2008** before settled at **1,431.96**.

The **rise of 9.47** point(s) in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Tenaga Nasional** (up RM0.14 to RM9.00), **Sime Darby** (up RM0.05 to RM8.40), **IOI Corp** (up RM0.05 to RM5.30), **TM** (up RM0.01 to RM3.54) and **Maybank** (up RM0.10 to RM8.49).

What was the chart saying

Market continued to charge its way upward yesterday (1/9/2010) following the up close on 30/8/2010. The higher high market play on 1/9/2010 was not much of a surprise as the crossover of 1,420 hurdle on 30/8/2010, and the ability on the part of stock index to stay well supported above 1,420 level throughout the trading day on 30/8/2010 helped to provide another amount of buying confidence after the friendly indication from the up close on 26/8/2010 suggested an upward play ahead when the market settlement below 1,400 level on 25/8/2010 was supposed to have drawn in more selling interest on 26/8/2010.

What had caused the market to climb back up into 1,400 zone again on 26/8/2010 ? We recognized the fact that the up play into 1,400 zone on 23/8/2010 indeed consumed much efforts to put up a nice picture for every traders and investors to see, and these certain traders were simply not willing to end the up play here by clicking in just a few points above 1,400 level. This can be seen from the day high of 1,408 on 26/8/2010 and high of 1,415.28 on 27/8/2010.

Can KLCI reach 1,450 level ? A low market volume in KLCI did not always necessarily mean that stock index would stop making higher high, because it was not difficult to paint a friendly picture on KLCI chart given the types of stock component in the index. This market was supposedly due for a corrective move to go downward, somehow the unusual market force wanted to continue to keep the up play in the game, and the way it carried itself on 1/9/2010 implied that traders with winning trades would begin to lock in profits today even though the next upside target was pegged at 1,450 level.

Ladies & gentlemen, the market run-up of 94.6 points from low of 1,342.07 (12/8/2010) to a high of 1,436.73 (1/9/2010) in 14 days was believed to be viewed over-extended in the eyes of many traders especially with 13 up close days and only 1 down close day. **Why did the market continue to go higher to reach highest high of 1,436.73 since 21/1/2008 on 1/9/2010 when 1,420 level was earlier expected to pose a strong resistance ?** It was nothing more than the "feel good" sentiment in the current market upward direction with some traders still seen comfortable to play on buying side as long as the uptrend remained intact.

What were the strong hands doing

A check of internal market strength on 1/9/2010 showed that buying strength improved with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions liquidated from 20/8/2010 to 1/9/2010 was about 35% of what was established between 11/8/2010 and 19/8/2010 compared to 39% in the preceding day.

Conclusion :

Market outlook remained friendly as KLCI was still trading above 50-day MA with key market support level to remain at 1,350; but, 1,400 level should act as immediate support.

The analysis of overall daily market action(s) on 1/9/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,436.73.

Today's Hot Pick – TMC Life

	1/9/2010	30/8/2010
Open	0.43	0.44
High	0.455	0.445
Low	0.425	0.405
Close	0.45	0.42
Volume	63,417	50,643
Indicators		
MACD	sell	sell
DM index	sell	sell
Stochastics	sell	sell

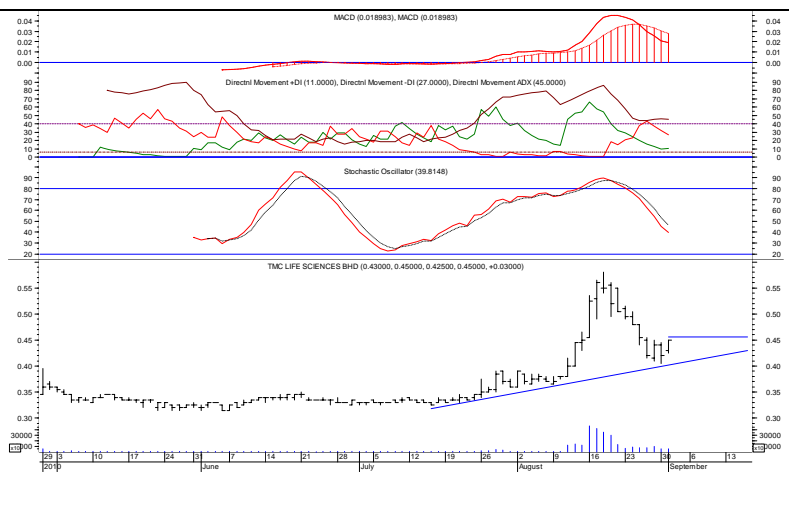


Chart wise : *Upside breakout potential*

TMC Life (0101 - AceMarket) had on 1/9/2010 traded higher to a day high of **RM0.455** before settled at **RM0.45**.

Next Potential Upside Target : An upside violation of **RM0.455 level** would likely see **TMC Life** to trade upward with next upside target at **RM0.495**.

Entry Level : Risk taking traders may establish buying position at **RM0.435** 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 **RM0.41** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Note : A conservative trading approach should be employed with an eye to preserve capital.

Current Active Stock Review – AMMB

	1/9/2010	30/8/2010
Open	5.72	5.58
High	5.86	5.70
Low	5.72	5.58
Close	5.80	5.66
Volume	129,636	84,899
Indicators	1/9/2010	30/8/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

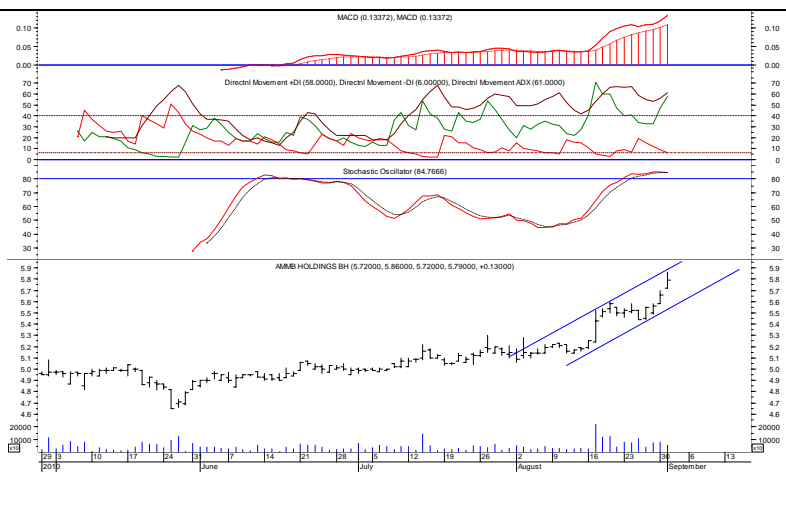


Chart wise : *Within upward channel*

AMMB (1015 - MainBoard) had on 1/9/2010 traded higher to a day **high of RM5.86** before settled at **RM5.80**.

Price Direction

In view of **an increase** in market participation, the stock can be expected to trade **sideways with upside bias** in coming day(s) with an immediate overhead resistance pegged at **RM5.90** and support at **RM5.50**.

What to watch for

A turnaround of prices to close **below RM5.50** level would see a change in the stock direction for the immediate short term.

Note : A **conservative trading approach** should be employed with an eye to preserve capital.

Active Stock Review – Hai-O Enterprise Bhd



Chart wise

Sell.

Hai-O Enterprise Bhd (7668-Main Market- Trading/Services) – RM2.98

Since our call a week ago, the share price had gone down further despite some short lived rebounds. Going forward, sentiment for direct selling stocks is likely to be tempered by hints of caution on emerging issues like possible tighter controls by government.

Its technical indicators are mired in extended oversold position, suggesting very weak stock demand. Given the current poor sentiment, the technical outlook remains the same and the downward consolidation is expected to continue. Based on its longer-term chart, the next support is at RM2.70.

MAJOR NEWS

Commodity, Currency and Economic News

U.K. consumer-services companies including bars and travel firms said sales unexpectedly fell in the last three months and scaled back expansion plans as they questioned the strength of the economic recovery, a Confederation of British Industry survey showed. The number of consumer-services firms saying sales volumes fell in the quarter through August exceeded those seeing gains by 5 percentage points, Britain's biggest business lobby group said in a report published in London today. Companies had anticipated a positive result for the period, the CBI said. (Bloomberg)

Manufacturing in the U.S. expanded at a faster pace than forecast in August as factories added workers and cranked up production. The Institute for Supply Management's factory index rose to a three-month high of 56.3 from 55.5 in July, the Tempe, Arizona-based group said today. Readings greater than 50 signal growth, and the figure was projected to drop to 52.8, according to the median forecast in a Bloomberg News survey. (Bloomberg)

The ringgit ended higher against the US dollar yesterday as buying sentiment rose following a rebound in China's manufacturing sector, dealers said. At 5pm, the local currency strengthened against the greenback to 3.1290/1320 from 3.1380/1420 on Monday. A dealer said China's higher Purchasing Managers' Index in August had eased concerns of a slow down in growth in the country. (BTimes)

Malaysian **crude palm oil futures** ended more than 1 per cent lower on yesterday, as players booked profits after data from cargo surveyors showed lacklustre overseas demand. Malaysia's August palm oil exports fell 17 per cent from a month ago, as the world's No. 2 oil consumer China slowed buying due to ample stockpiles. "There's no sign for China to increase palm oil imports since there are still a lot of stocks in the country, but soybean demand could be higher when weather turns colder," a trader with a Shanghai-based foreign brokerage said, adding that the country has about 450,000-500,000 tonnes of palm oil inventories at major ports. However, some Malaysian traders are confident about the vegetable oil's demand over the following month. The benchmark November crude palm oil contract on Bursa Malaysia Derivatives Exchange dropped RM35 to RM2,535 per tonne. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10269.47	254.75	2.54	Nasdaq CI	2176.84	62.81	2.97
S&P 500	1080.29	30.96	2.95	FTSE 100	5366.41	141.19	2.70

Global and Local Headlines

Global stocks surged the most since May, Treasuries tumbled and copper rallied as manufacturing in the U.S. and China grew faster than economists estimated, bolstering optimism in the economy. The dollar, yen and Swiss franc weakened. The MSCI World Index rallied 2.9 percent at 4 p.m. in New York, its biggest gain since May 27, and the Standard & Poor's 500 Index jumped 3 percent to 1,080.29. Ten-year Treasury yields rose 11 basis points to 2.58 percent. Copper and aluminum advanced more than 2.4 percent to pace gains in metals. The Australian dollar strengthened against all 16 major counterparts after the nation's economic growth topped forecasts. (Bloomberg)

Toyota Motor Corp., General Motors Co. and Ford Motor Co., the three largest sellers of autos in the U.S., reported bigger sales declines than analysts projected as the **auto industry** posted its worst August in 28 years. GM said deliveries fell 25 percent to 185,176 from 246,479 last August, when the U.S. government's "cash for clunkers" incentive program boosted sales. The biggest U.S. automaker was expected to report a 19 percent decrease, including an adjustment for the number of selling days in August, the average estimate of analysts surveyed by Bloomberg. On that basis, sales fell 22 percent, Detroit-based GM said in a statement. (Bloomberg)

Japanese and Australian stockfutures rose earlier today as faster-than-estimated growth in U.S. manufacturing supported confidence in a global economic recovery. American depositary receipts Canon Inc., a Japanese camera maker that gets more than 80 percent of its revenue overseas, gained 2.1 percent from the closing share price in Tokyo after the factory data from the U.S.-based Institute for Supply Management. Those of Sony Corp., an electronics maker that earns about 20 percent of sales from Europe, climbed 2.8 percent after the yen weakened against the euro. ADRs of BHP Billiton Ltd., the world's largest mining company, increased 1.6 percent from the closing price in Sydney as commodity prices advanced. (Bloomberg)

SapuraCrest Petroleum Bhd (SAPCRE) has been awarded RM420.35mil worth of contracts by Carigali Hess Operating Co Sdn Bhd, Carigali PTTEPI Operating Co Sdn Bhd and Seadrill UK Ltd. The company told Bursa Malaysia that these contracts were awarded to two joint venture companies – Tioman Drilling Co Sdn Bhd and Crest Tender Rigs Pte Ltd – in which SapuraCrest has 51% stakes with the remainder belonging to Seadrill. (Star)

Aeon Co Ltd, Japan's second-largest retail group, will bid for the Thai, Malaysian and Singaporean operations of French retailer Carrefour, three sources familiar with the matter said. The purchase would almost triple its outlets in the three Southeast Asian nations. Aeon operates 27 Malaysian stores and 11 outlets in Thailand. Aeon, is being advised by Nomura, according to the sources, who were not authorised to speak publicly about the matter. (Star)

TMC Life Sciences Bhd (TMCLIFE) managing director (MD) and founder Datuk Dr Lee Soon Soo, a former substantial shareholder of the company, has resigned. A filing with Bursa Malaysia showed he resigned yesterday. Lee, who controlled a 20% stake in the company, sold his stake recently to Hong Kong-based Gilberta Investments Ltd, controlled by Singaporean billionaire Peter Lim Eng Hock, for 52 sen a share. Lee's brother Soon Swee also disposed of his 5% stake. (Star)

Bank Negara is engaging with banks on possible measures to curb excessive speculation on property prices while developers caution that it should not be imposed across the board to avoid dampening the property market. Responding to queries on whether the central bank will be imposing a 80% loan-to-value ratio (LVR) for mortgages to avert the risk of a potential property bubble, the central bank said: "Bank Negara regularly engages with industry players as part of its surveillance and supervisory activity. The engagements cover a broad range of issues and areas that relate to developments on the ground, safety and soundness of the institutions and the overall system." (Star)

Shipping firm **Swee Joo Bhd** (SWEEJOO), classified a PN17 company after it failed to provide a solvency declaration, succumbed to heavy selling pressure yesterday. Its share price tumbled to a historical low of 17.5 sen, down by over 50% from its Monday close of 36 sen. It was one of the biggest losers and saw a total 5.13 million shares traded. Listed on Bursa Malaysia four years ago, the stock hit a high of RM1.55 in October 2007. (Star)

Shareholders of **Petra Perdana Bhd** (PETRA) approved the company's proposed renounceable rights issue of 50 sen shares together with free detachable warrants at an EGM yesterday. The renounceable rights issue, on a basis to be determined later, is expected to raise proceeds of up to RM69.56mil. "The rights issue will be of benefit to shareholders, allowing them to increase their equity participation in Petra Perdana," managing director Shamsul Saad said in a press release. (Star)

Troubled **Kenmark Industrial Co (M) Bhd** (KENMARK) will not seek an extension of time for the issuance of the first-quarter ended June 30, 2010 results as relevant information from overseas subsidiaries is unobtainable. The company's listed shares have been suspended from trading since Aug 9 after it failed to submit the audited financial statements for the financial year ended March 31, 2010. (Star)

Selangor State Development Corp (PKNS) has identified 16 high-profile projects worth RM10 billion for future injection into its real estate investment trust (REIT), its chief said. PKNS general manager Othman Omar said six of the projects have been confirmed. They are Datum Jelatek in Kuala Lumpur, PJ Elevated City, PJ Sentral Garden City and Kelana Sports City in Petaling Jaya, Selangor Science Park 2 in Sepang and the proposed Healthcare City. Othman said the development site for the remaining 10 projects is expected to be finalised soon. (BTimes)