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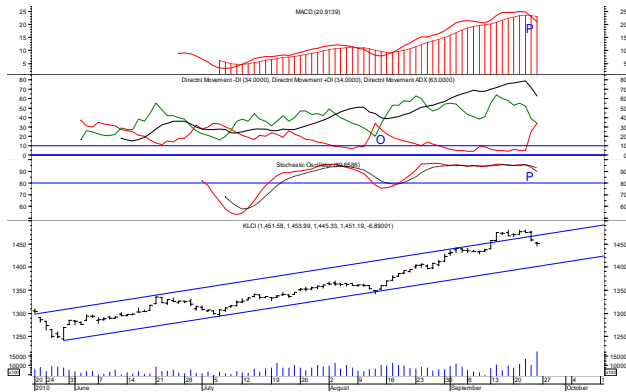
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MARKET FLASH

FBM KLCI

Mon, 27 Sep 2010



MARKET STATISTICS (24/9/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,451.19	- 6.89
FBM 100	9,504.39	- 33.80
FBM ACE	3,848.66	+ 66.57
Volume (m)	1,726.6	
Value (RMm)	1,531.2	
Up	408	
Down	307	
Unchanged	289	

FOREIGN

Nikkei	9,471.67	- 94.65
Hang Seng	22,119.43	+ 71.72
STI	3,092.68	+ 9.55
Shanghai CI	2,591.55	+ 2.84

BURSA MOVERS

Gainers	Close	Chg
BAT	47.70	+ 0.72
Utdplant	15.60	+ 0.20
Topglove	5.29	+ 0.19
H;fg	9.00	+ 0.18
Harta	4.25	+ 0.15

Losers	Close	Chg
APM	4.55	- 0.19
Genting	9.75	- 0.18
AIC-wc	0.22	- 0.18
MSC	4.29	- 0.16
Petgas	10.74	- 0.14

Actives	Close	Chg
Kbunai	0.18	+ 0.06
Saag	0.09	+ 0.025
Talam	0.10	+ 0.005
Asiapac	0.12	+ 0.03
Compugt	0.065	=

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,445.33 level.

Market Buying Strength :

About **47%** of total market volume on 24/9/2010 was on buying side compared to **6%** in the preceding trading day.

"Movement" in Strong Hands :

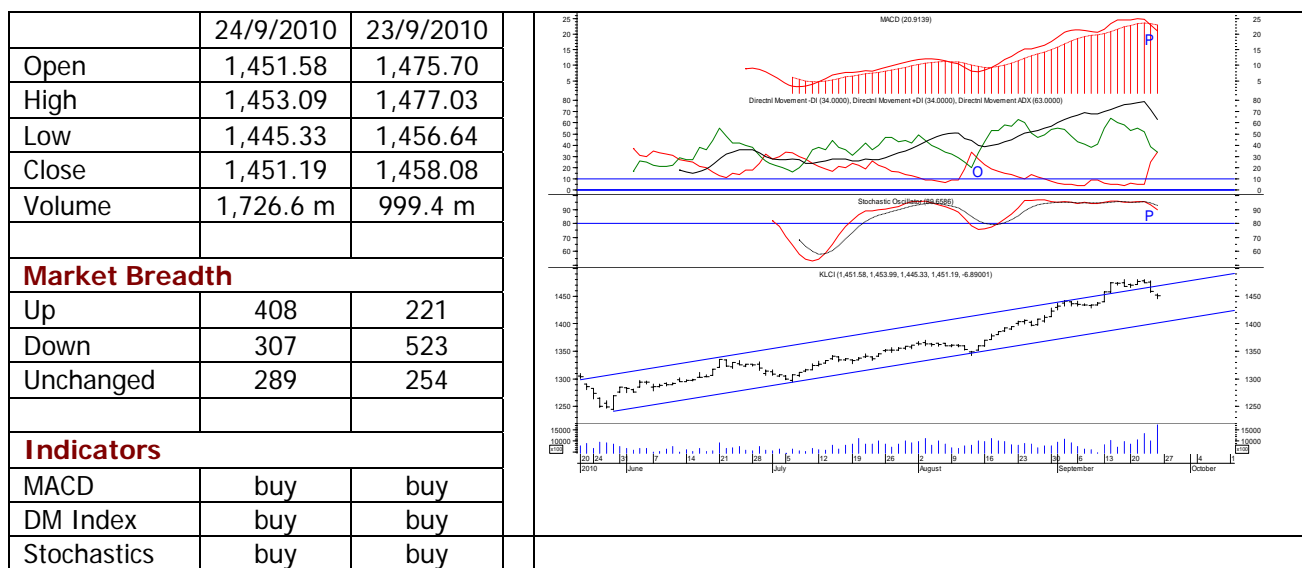
Strong hands were seen **acquiring** a portion of stock positions on 24/9/2010.

Pivot Point Studies for Intra-Day :

For **Monday (27/9/2010)**, 1st resistance @ 1,455.0 & 2nd resistance @ 1,458.8 ; 1st support @ 1,446.3 & 2nd support @ 1,441.5.

To read more

Technical Analysis – Daily FBM KLCI



Another platform seen likely to hold up the market

Market Commentary :

Led by a jump in unemployment claims and more signs of trouble for Europe's economy, DJIA had on 23/9/2010 shed 76.89 points to close at 10,662.42.

The double-digit drop in Wall Street sent dampening effect to Bursa Malaysia in the opening bell on 24/9/2010, FBM traded down to a day low of **1,445.33** as traders continued to play a selling game in anticipation of lower market. However, in the absence of stronger selling pressure in area of **1,445.33**, renewed buying interest rolled in, this lifted stock index back up above 1,450 level to a day high of **1,453.99** before settled at **1,451.19**.

The **fall** of **6.89** point(s) in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **KLK** (down RM0.04 to RM16.92), **PB Bank** (down RM0.08 to RM12.54), **CIMB** (down RM0.10 to RM8.09), **Genting** (down RM0.18 to RM9.75) and **Tenaga Nasional** (down RM0.08 to RM8.92).

What was the chart saying

Market traded lower with a downside violation of 1,450 level last Friday (24/9/2010) given the weak closing in the preceding day (23/9/2010). The selling interest was heavy in the early part of morning session, simply because more traders swarmed in to liquidate their winning trades in a hope to lock in best possible profits. The downside breakout of 1,450 level on 24/9/2010 was not much of a surprise as the failure on the part of buying power to overcome the hurdle at 1,479.59 on 22/9/2010 had impacted the market sentiment on the negative side, this can further be seen from the way stock index was traded on 23/9/2010.

On the other hand, bullish traders took advantage of the lower market to establish cheaper stock positions. Stock trading was about market opinions, bull or bear, and the logic behind the buying support on 24/9/2010 was due to the fact that these traders expected the stock price to go up. **So,**

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what would the market be likely doing next ? The selling and buying forces on 24/9/2010 implied that both bullish traders believed immediate market support should be found in the area of 1,445 at this juncture, and that basically explained why there was a greater buying interest at that market level. In other word, 1,440 level should provide an immediate cushion for the market while the tussle for market control between bulls and bears to continue.

Given the drop of 34 points over the last 3 days (22/9/2010 – 24/9/2010), this market had a greater tendency to trade sideways with a small platform between 1,425 – 1,445 level..

Like we had said earlier in our market reports

What would be the one thing in traders' mind right now after making to a high of 1,474.44 on 14/9/2010 ? Well, the rally to 1,474.44 had certainly made many investors happy again; but, one thing for sure the market run up would raise the question of whether this was a sustainable rally or just as another move to the top of a trading range (1,500 – 1,530). The answer would be to approach the market with caution despite the bullish trading sentiment.

So, the higher market to 1,479.59 on 17/9/2010 followed by weak down close was a sign of seeing a continuing higher level on 20/9/2010 then with another day high of 1,479.59 on 21/9/2010 ? The way market acted on 17/9/2010 implied the emergence of selling pressure, and the buying strength was not really being felt after 14/9/2010. A consolidation was seen made in an effort to neutralise the imbalance demand-supply relationship created in recent run up, for the stock index had shot up 45 points since the day low of 1,428.66 on 8/9/2010.

Ladies & gentlemen, the sell-off on 23/9/2010 would continue to have a dampening effect on the market in coming days as the stock index had broken the low registered on 20/9/2010, and a more aggressive strategy by bearish traders to take advantage of the weakened market situation was seen unavoidable.

What were the strong hands doing

A check of internal market strength on 24/9/2010 showed that buying strength improved marginally with strong hand(s) seen acquiring a portion of buying positions, and the net number of stock positions disposed from 15/9/2010 to 24/9/2010 was about 134% more than what was acquired between 8/9/2010 and 14/9/2010 compared to 135% 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 1,400; but, 1,440 – 1,450 level should act as immediate support.

The analysis of overall daily market action(s) on 24/9/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,445.33.

Today's Hot Pick – Ingress Corp

	24/9/2010	23/9/2010
Open	0.87	0.88
High	0.925	0.90
Low	0.87	0.86
Close	0.91	0.875
Volume	19,722	9,670
Indicators		
MACD	Buy	Buy
DM index	Buy	Buy
Stochastics	buy	buy

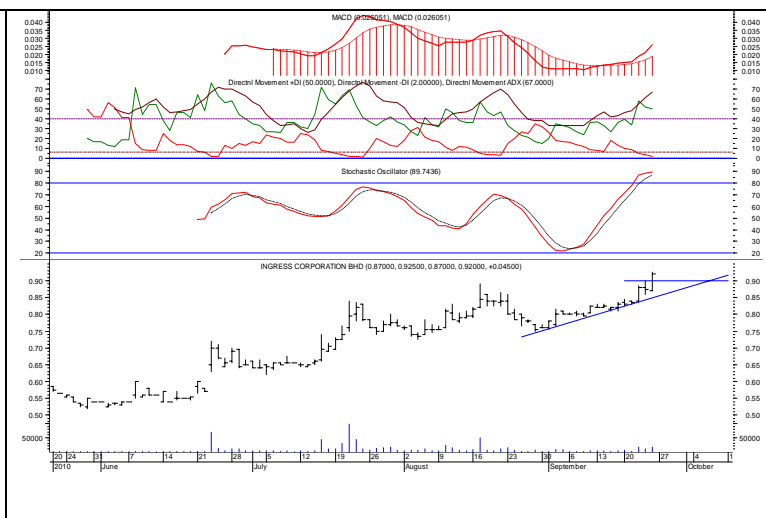


Chart wise : *Highest since 4/9/2007.....*

Ingress (7112 - MainBoard) had on 24/9/2010 crossed over **RM0.90** level to reach highest **high of RM0.925** before settled at **RM0.91**.

Next Potential Upside Target : With the upside violation of **RM0.90** level, **Ingress** looked ready to trade upward with next upside target at **RM1.05 – RM1.10**.

Entry Level : Risk taking traders may establish buying position at **RM0.90** 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 **RM0.85** 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. Small win is better than no win, and it will add up.

Current Active Stock Review – Gadang

	24/9/2010	23/9/2010
Open	0.675	0.68
High	0.75	0.68
Low	0.675	0.67
Close	0.75	0.675
Volume	28,827	6,685
Indicators	24/9/2010	23/9/2010
MACD	Buy	Sell
DM index	Buy	sell
Stochastics	buy	Buy

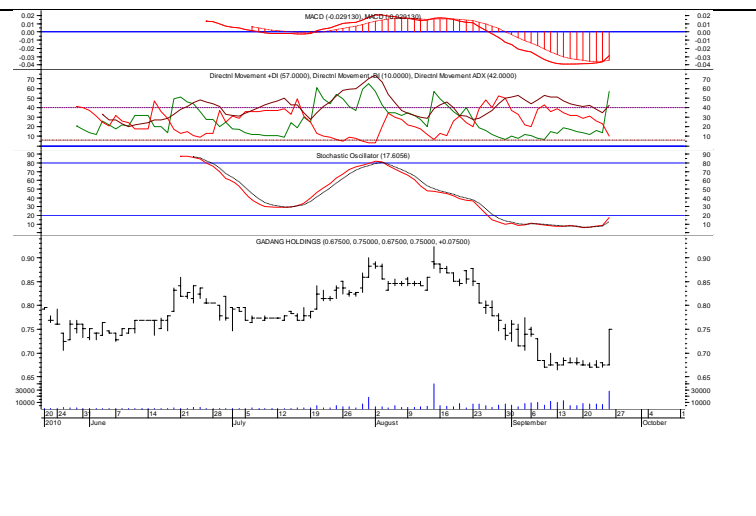


Chart wise : *A technical rebound*

Gadang (9261 - MainBoard) had on 24/9/2010 crossed over RM0.70 level to a day high of RM0.75 before settled at day high.

Price Direction

In view of **an increase** in market participation, the stock can be expected to trade **upward** in coming day(s) with an immediate overhead resistance pegged at **RM0.78** and support at **RM0.71**.

What to watch for

A turnaround of prices to close **above RM0.78** 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.

Stock review – Tenaga Nasional Bhd

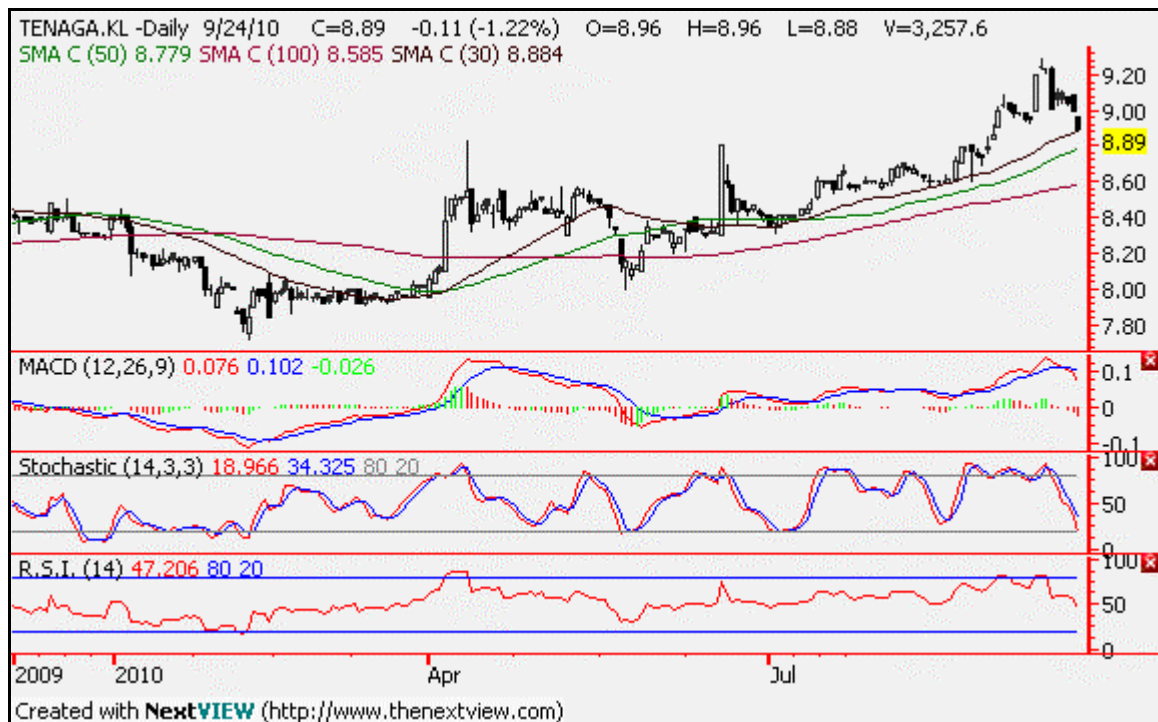


Chart wise:

Hold/Trading Sell.

Tenaga Nasional Bhd (5347-Main Market- Trading/Services)-RM8.89

Tenaga's candles broke out of its uptrend formation two weeks ago, prompting a trading buy call. However, follow through buying remains elusive and the candles have slipped to near the top of the uptrend line at RM8.90. As expected, both its core momentum indicators are slipping, while the MACD crossing the trigger line on the downside, a bearish signal.

Without any signs of a recovery as yet, the downside bias looks to sustain. For now, however, the stock is still worth to hold, but if the candles breach the RM8.80 support level, then its best to sell the stock. Below RM8.80, the other support is at RM8.60, while the resistance is pegged at RM9.00

Technical Analysis – Weekly FBM KLCI

	24/9/2010	17/9/2010
Open	1,470.73	1,439.26
High	1,479.59	1,479.59
Low	1,445.33	1,439.26
Close	1,451.19	1,466.97
Volume	5.95 b	3.57 b
Pivot	1,458.7	1,461.9
1 st Resis.	1,472.0	1,484.6
2 nd Resis.	1,492.9	1,502.2
1 st Supp.	1,437.8	1,444.2
2 nd Supp.	1,424.4	1,421.6
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy

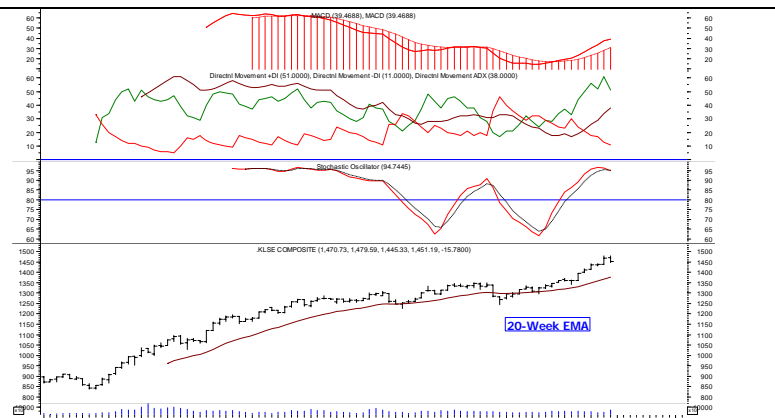


Chart wise : .

..... **21 % of total weekly market trading activity was on buying side**

Weekly Market Commentary :

Led by growing hopes of more action by Fed Reserve to prop up the economy amid more signs of economic trouble in Europe, DJIA traded higher to a high of **10,833.40** for the week ended 24/9/2010 before settled at **10,662.4**.

The small gains in Wall Street did not send a more comfortable trading sentiment to the Bursa Malaysia last week, FBM KLCI tested the highest high of **1,479.59 since 17/1/2008** registered in previous week as some traders continued to play on buying side; however, non-follow thru buying support prompted profit taking activity to roll in, this pushed stock index down to **1,445.33** before settled at **1,451.19** ahead of weekend.

Last week, total market turnover was **5.95** billion shares on shorter trading days compared to **3.57** billion shares in the preceding week; thus, the **bigger market volume in a down close scenario suggested stronger selling pressure.**

With a week high (1,479.59) NOT higher than previous week high (1,479.59) and a low () higher than previous week low (1,439.26), can market continue to go upward ? The inside bar in week ended 24/9/2010 indicated market uncertainty where bullish traders decided to take a pause in buying up the market last week. This

would open up an opportunity for traders to sell especially after this recent rally had helped to push the market to highest level since 17/1/2008.

On examination of the market behaviour for the week ended 24/9/2010, the weekly **down close** of **1,451.19** did not help to paint a friendly picture onto the chart with immediate **support** pegged at **1,428** and **overhead resistance** at **1,500** level.

A mathematical calculation showed that about **21 %** of the total market trading activity for week ended 24/9/2010 was on the **buying side** compared to **84 %** in the previous week.

Conclusion :

The market action(s) for week ended 24/9/2010 revealed that buying power was **weaker** than selling pressure, FBM KLCI would thus be making attempt to trade **below 1,445.33**.

MAJOR NEWS

Commodity, Currency and Economic News

Oil rose for a second day in New York as the dollar dropped against the euro, bolstering the appeal of commodities as an alternative investment. Crude extended its 1.7 percent gain on Sept. 24 after the euro strengthened against the greenback following a report showing German business confidence at a three-year high. U.S. durable goods orders, not including volatile transportation items, climbed by a more-than-expected 2 percent in August. (Bloomberg)

Japan's exports grew at the slowest pace this year as a decrease in global demand and an advance in the yen threaten to undermine the nation's recovery. Overseas shipments increased 15.8 percent in August from a year earlier, the Finance Ministry said in Tokyo today. The median estimate of 21 economists surveyed by Bloomberg News was for a 19 percent increase. Today's report underscores concern that the country's recovery may falter after cooling exports and stagnant consumer demand more than halved the nation's growth rate last quarter. Authorities intervened in the foreign-exchange market this month for the first time since 2004 after the yen's surge to a 15-year high against the dollar threatened earnings of exporters such as Sony Corp. and Honda Motor Co. (Bloomberg)

U.K. home values dropped by the most in 18 months in September as all of Britain's regions posted price declines, Hometrack Ltd. said. The average cost of a home fell 0.4 percent from the previous month to 157,600 pounds (US\$249,000), the London-based property researcher said in an e-mailed statement today. That was the third consecutive monthly drop and the biggest since March 2009. Housing demand fell the most since January 2009. The report adds to mounting evidence that the housing market is weakening as the U.K. government prepares the biggest budget squeeze since World War II and banks curb lending. Bank of England Chief Economist Spencer Dale said last week that values may fall further after the small size of declines during the recession surprised people. (Bloomberg)

The US dollar traded near a five-month low versus the euro as expectations the economy will slow added to speculation the Federal Reserve will ease monetary policy. The dollar was close to a one-week low against the yen before U.S. reports forecast to show the economic activity fell and consumer confidence dropped. The yen slid against higher-yielding counterparts after commodities and global stocks advanced, sapping demand for Japan's currency as a refuge. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10860.26	197.26	1.86	Nasdaq CI	2381.22	54.14	2.33
S&P 500	1148.67	23.84	2.12	FTSE 100	5598.48	54.40	0.93

Global and Local Headlines

U.S. stocks rose last week, sending benchmark indexes to a fourth straight weekly gain, as signs of improving demand for capital goods, technology products and consumer items tempered concern the economic rebound is slowing. Apple Inc. surged to a record as an analyst boosted sales estimates for the iPad tablet computer, while Google Inc. climbed to an almost five-month high. Nike Inc. surged to the highest price since its initial public offering in 1980 after earnings topped estimates on growing demand in North America and China. The Standard & Poor's 500 Index erased three days of losses yesterday as capital-goods orders exceeded forecasts. (Bloomberg)

The decision by MCA's investment arm Huaren Holdings Sdn Bhd to dispose of its shares in **Media Chinese International Ltd** (MEDIAC) is made by the party presidential council, said president Datuk Seri Dr Chua Soi Lek. He said the decision was also taken to fulfil his promise under his party election manifesto. "I promised in my manifesto to dispose of the shares when I became president. "We were very small shareholders (in Media Chinese International Ltd) but it has given rise to the perception that we were major shareholders," he said, adding that MCA had always practised a hands-off approach and would never interfere in company matters. (Star)

The federal government is drawing up a framework for discussion pertaining to the potential sale of the 2,400 MW **Bakun dam** to the Sarawak government, sources said. "It is at a very preliminary stage," said a source, adding that it would probably be a long-drawn process. The potential structure for negotiations will involve technical, finance and legal matters. Other aspects include the progress and performance of the dam. The Sarawak government will also conduct its own due diligence on the project, which is estimated to cost RM7.3bil, until the last commissioning of the turbines. (Star)

Teo Seng Capital Bhd (TEOSEN) expects to increase its daily egg production to 2.1 million from 1.8 million towards the end of the year. Chairman Lau Jui Peng said the additional 300,000 eggs would come from the company's two new farms in Yong Peng, Batu Pahat, in which it had invested RM11mil. "The investment will put us in a better position to emerge as the largest listed layer farming entity in the country," he said. Lau said the company now exported 30% of its egg production to Singapore, up from 10%. The company has 16 farms in Batu Pahat with over two million layer birds. (Star)

Satang Holdings Bhd (SATANG) is still making no headway in its attempt to get out of the PN17 status after being delisted from Bursa Malaysia for more than a year. Despite the emergence of Pascal Resources Sdn Bhd as its largest controlling shareholder in July last year, the maintenance, repair and overhaul (MRO) service provider to the Defense Ministry is still grappling with various pressing issues, which warrant serious attention but sadly "no" fast track solutions to streamline its operation and business activities. (Star)

Twenty-nine per cent of Maxis iPhone 4 buyers were first-time **iPhone** owners, a short survey conducted by Business Times during its launch late last Thursday reveals. Business Times spoke to 100 random Maxis users who queued up after midnight, to find out the percentage of new iPhone users and the preferred packages. From the survey, it also showed that 50 per cent of the iPhone 4 buyers are opting for iValue 2 plan, which involves a monthly commitment of RM155 a month. They will be able to get the iPhone 4 for as low as RM990 (16GB version, 24-month contract) under the plan. The entry level plan, iValue 1, was the second most popular, with 45 per cent of buyers opting for the plan. Maxis and Digi are the only telcos offering iPhone packages in Malaysia. (BTimes)

AirAsia Bhd (AIRASIA) will spend up to US\$1.8 million (RM5.58 million) by end of 2010 to equip six of its planes with seamless and data roaming services. It is in partnership with Maxis Bhd and OnAir, the world's leading in-flight connectivity provider. AirAsia non-executive chairman Datuk Abdul Aziz Abu Bakar said the in-flight roaming services will eventually involve its entire fleet of 96 aircraft. "We will start with the AirAsia aircraft first before installing the mobile communication system on AirAsia X," Abdul Aziz told reporters after the media launch of the service in Kuala Lumpur on Friday. Abdul Aziz said so far, the airline had installed the new system on four of its aircraft and is working on another two by year-end. (BTimes)

Ogawa World Bhd (OGAWA) has returned to the black after two years of consecutive losses, posting a net profit of RM8.3 million for the year ended June 30 2010. Its executive director Louis Chong attributed the turnaround to the return of public spending on luxury items such as massage chairs and other wellness products that the brand carries. (BTimes)

Automotive parts manufacturer **New Hoong Fatt Holdings Bhd** (NHF) will focus on expanding its business in Asean to tap the growing population and new-vehicle markets. Currently, NHF exports to more than 40 countries, including those in the Association of Southeast Asian Nations (Asean), Middle East, Europe, Central and South America, and Africa. "Asean markets will be the company's focus going forward. About 76 per cent of our revenue is from the domestic market, 21 per cent from exports, while the remaining is from other income," NHF managing director Chin Jit Sin said. (BTimes)