

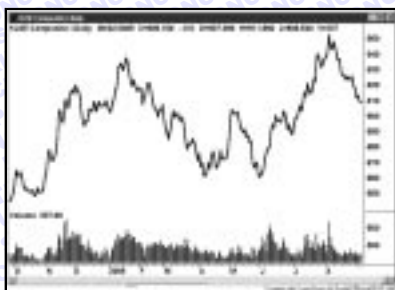
# Support & Resistance

MONDAY, SEPTEMBER 05, 2005

**KLCI 909.18**
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**KLCI Chart**


## MARKET REVIEW

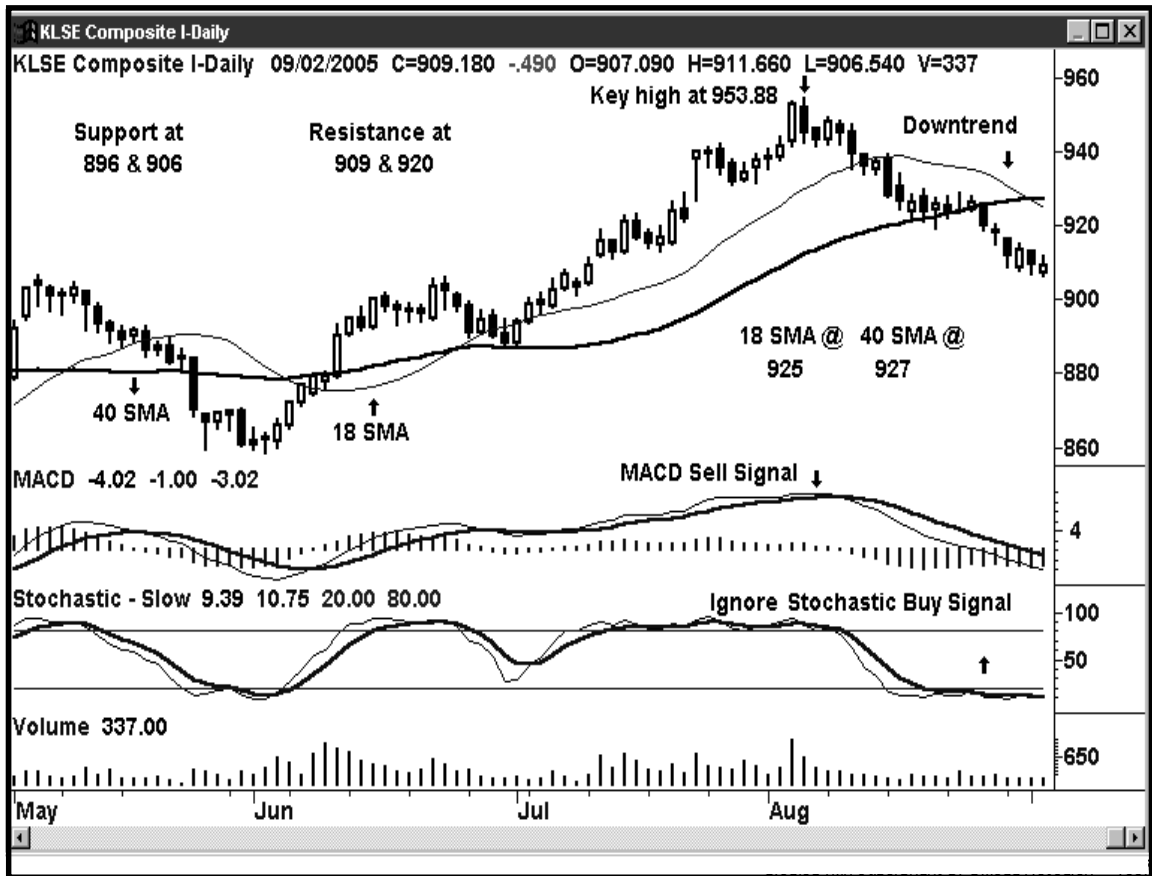
**US** - Stocks fell Friday at the end of an otherwise upbeat week for equities as investors welcomed falling oil prices but remained cautious amid worries about the fallout from Hurricane Katrina. The DJI average was down 12.26 points to 10,447.37. The Nasdaq composite declined 6.83 points to 2,141.07 and the S&P 500 fell 3.57 points to 1,218.02. For the week, all three major gauges closed higher. Oil slumped after the International Energy Agency said the governments of 26 countries had agreed to release approximately 2mil barrels of oil per day over the next month from strategic fuel reserves to help the United States amid the fallout from hurricane Katrina. Additionally, the Bush Administration will release around 30mil barrels of oil from the nation's stockpile, according to U.S. Energy Secretary Samuel Bodman. U.S. light, sweet crude oil for October delivery sank US\$1.90 to settle at US\$67.57 a barrel. All financial markets are closed Monday for the Labour Day holiday.

**Malaysia** - Shares ended lower Friday as investors continued to unwind positions on concerns stubbornly high oil prices will hurt economic growth and corporate earnings. Wall Street's weakness and concerns over the potentially negative impact of high oil prices on the Malaysian economy have prompted investors to reduce exposure. The weighted CI fell 0.49 points, or 0.1%, to close at 909.18 points, off the intraday low of 906.54 points. Losers led gainers 402 to 287 with 343 unchanged and 289 untraded. Volume fell to 336.9mil shares valued at RM688.2mil from 343.2mil shares valued at RM781.3mil Thursday.

Indices	Closing	Change	
	02-Sep	Points	Percentage
<b>COMPOSITE</b>	<b>909.18</b>	<b>(0.49)</b>	<b>(0.05)%</b>
<b>2ND BOARD</b>	<b>87.35</b>	<b>(0.36)</b>	<b>(0.41)%</b>
EMAS	207.29	(0.09)	(0.04)%
CONSUMER	223.56	+0.14	+ 0.06 %
IND. PRODUCTS	77.92	(0.09)	(0.12)%
CONSTRUCTION	142.64	(1.30)	(0.90)%
TRAD & SERVICES	131.17	(0.06)	(0.05)%
FINANCE	7,383.52	+6.49	+ 0.09 %
PROPERTY	592.81	(3.41)	(0.57)%
PLANTATION	2,575.89	+7.09	+ 0.28 %
MINING	356.83	(13.22)	(3.57)%
TECHNOLOGY	28.95	(0.28)	(0.96)%
MESDAQ	90.68	+0.48	+ 0.53 %
<b>KLCI Futures</b>	<b>02-Sep</b>	<b>Points</b>	<b>Percentage</b>
SEP '2005	909.50	+5.50	+ 0.61 %
OCT '2005	906.50	+5.50	+ 0.61 %

	Vol (mil shares)		Value (RM mil)	
	02-Sep	% Chg	02-Sep	% Chg
Main Board	257.46	+1.0%	636.12	-12.5%
Second Board	31.57	+3.8%	23.26	+16.7%
Mesdaq	44.96	-18.0%	25.28	-16.7%
Call Warrants	2.88	-14.6%	3.52	-7.7%
DBT	16.82	-40.9%	15.58	-66.7%
<b>Total</b>	<b>353.69</b>	<b>-4.9%</b>	<b>703.75</b>	<b>-15.0%</b>
	<b>Up</b>	<b>Down</b>	<b>U/Chg</b>	<b>N/Trd</b>
Main Board	178	283	233	172
Second Board	71	95	78	108
Mesdaq	31	20	32	9
Call Warrants	7	4	-	-
<b>Total</b>	<b>287</b>	<b>402</b>	<b>343</b>	<b>289</b>

**KLSE COMPOSITE INDEX (KLCI) DAILY CHART**



**TECHNICAL MARKET OUTLOOK**

The KLCI inched down to close at 909.18 last Friday, on minor blue chip profit-taking activities. The support zone at 896 and 906 will be weaker, whilst some very heavy profit-taking and liquidation at the resistance areas of 909 and 920 will cap the KLCI's rebound. The KLCI made key swings at 940.94 (high) and 858.84 (low). The KLCI peaked at 953.88 (on 4 August). A break below 941 (on 10 August) yields confirmation of this high for the time being.

For today, the KLCI will move towards the support areas indicated. Due to a small price fall on the DJIA, most local stocks will be under selling pressure. Worries over the very high oil prices would keep local investors still sidelined. Some selective blue chip buying may emerge to offset losses in lower-liner stocks. 906.36 (the 50% retracement area of the 858.84 low to the 953.88 high) may be the level to accumulate quality stocks for a minor rebound on the KLCI.

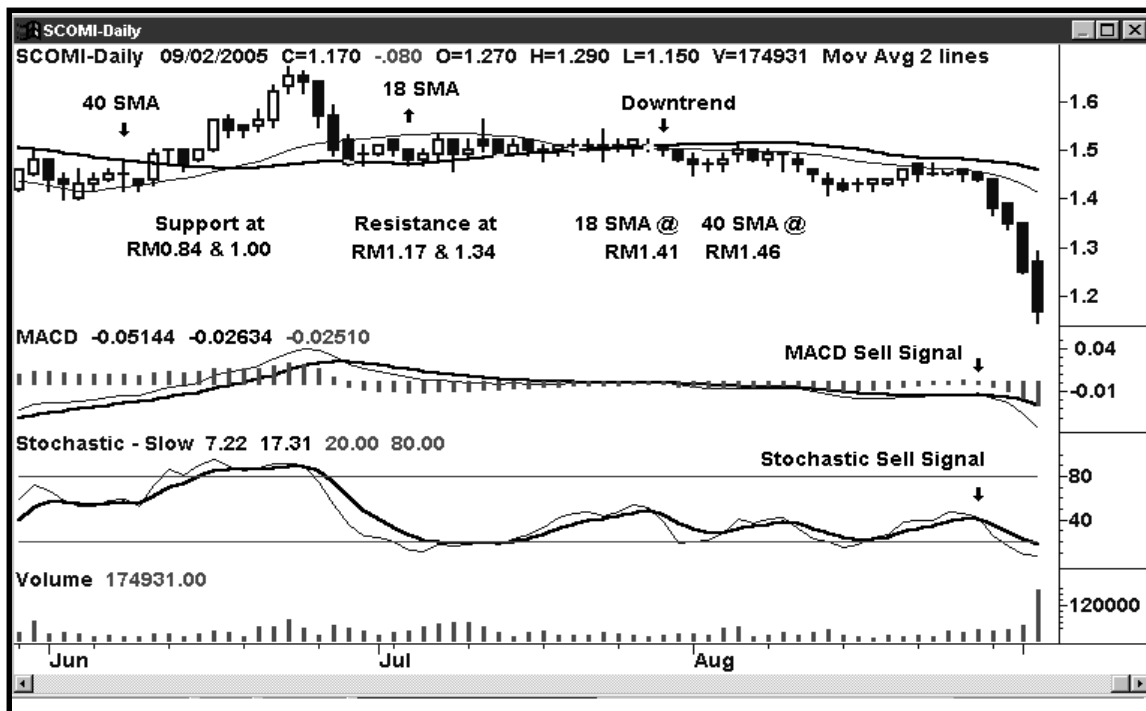
**However, market tone is poor and we see generally WEAKER SUPPORT AREAS from 896 to 906 and SELL at 909 to 920.**

**SCOMI - RM1.17**

**SELL**

(Stock Code: 7158)

Fundamental Charting



**Scomi Group Berhad** is an investment holding company. It sells drilling mud and chemical products, provides drilling fluids materials, equipment, and services, manufactures and fabricates road transport equipment and material handling equipment & operates marketing agent for road transport equipment.

**FUNDAMENTALS**

Board	: Main
Sector	: Ind. Product
52 week high	: RM1.86
52 week low	: RM1.15
NTA	: RM0.16
Beta vs. KLCI	: 0.92
Hist. EPS	: 7.7 sen
P/E	: 15.2x
Ind. P/E	: 15.2x
Net Profit	: RM 70.8mil
Avg Daily 3mth Vol.:	: 2,398,891 shares

**Fundamental Rating: 3/5 (Average)**

**TECHNICALS**

CCI	: Sell
DMI	: Sell
MACD	: Sell
Stochastic	: Sell
Oscillator	: Sell
Support S1/S2	: RM0.84 & 1.00
Resistance R1/R2	: RM1.17 & 1.34
Trend	: DOWN
Downside target T1/T2	: RM0.80 & 1.00
Stop-loss	: N/A
Down period	: 2 days to 6mths

**Chart Rating: 1/5 (Very Poor)**

**Recommendation**

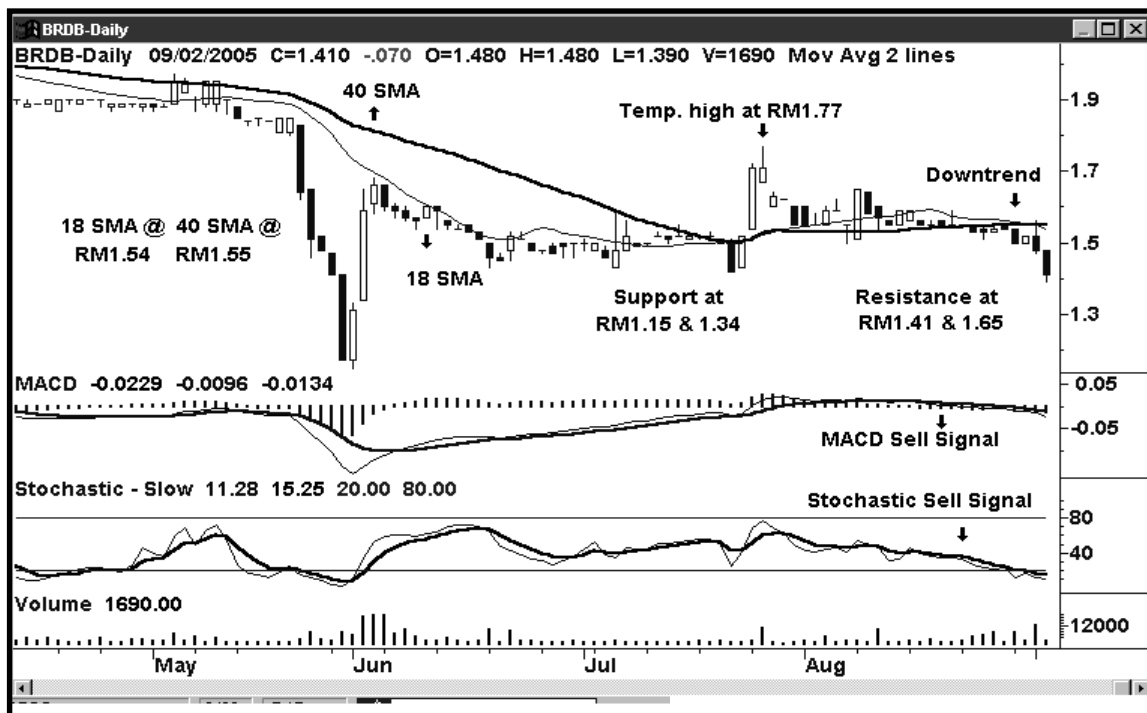
**SELL.** It dropped to a recent 24-month low of RM1.15. Its daily, weekly and monthly downtrends have emerged. Selling SCOMI would be the wise move that investors should take.

**BRDB - RM1.41**

**SELL**

(Stock Code: 1473)

Fundamental Charting



**Bandar Raya Developments Berhad** is an investment holding company which operates in property development and investment. Its develops, invests, constructs, and manages in properties, manufactures and markets chipboards, as well as provides credit leasing, factoring, and shares financing.

**FUNDAMENTALS**

Board	: Main
Sector	: Properties
52 week high	: RM2.14
52 week low	: RM1.15
NTA	: RM2.55
Beta vs. KLCI	: 1.50
Hist. EPS	: 0.5 sen
P/E	: 286.0x
Ind. P/E	: 20.5x
Net Profit	: RM 2.7mil
Avg Daily 3mth Vol.:	: 295,106 shares

**Fundamental Rating: 2/5 (Poor)**

**TECHNICALS**

CCI	: Sell
DMI	: Sell
MACD	: Sell
Stochastic	: Sell
Oscillator	: Sell
Support S1/S2	: RM1.15 & 1.34
Resistance R1/R2	: RM1.41 & 1.65
Trend	: DOWN
Downside target T1/T2:	: RM1.15 & 1.34
Stop-loss	: N/A
Down period	: 2 days to 3mths

**Chart Rating: 2/5 (Poor)**

**Recommendation**

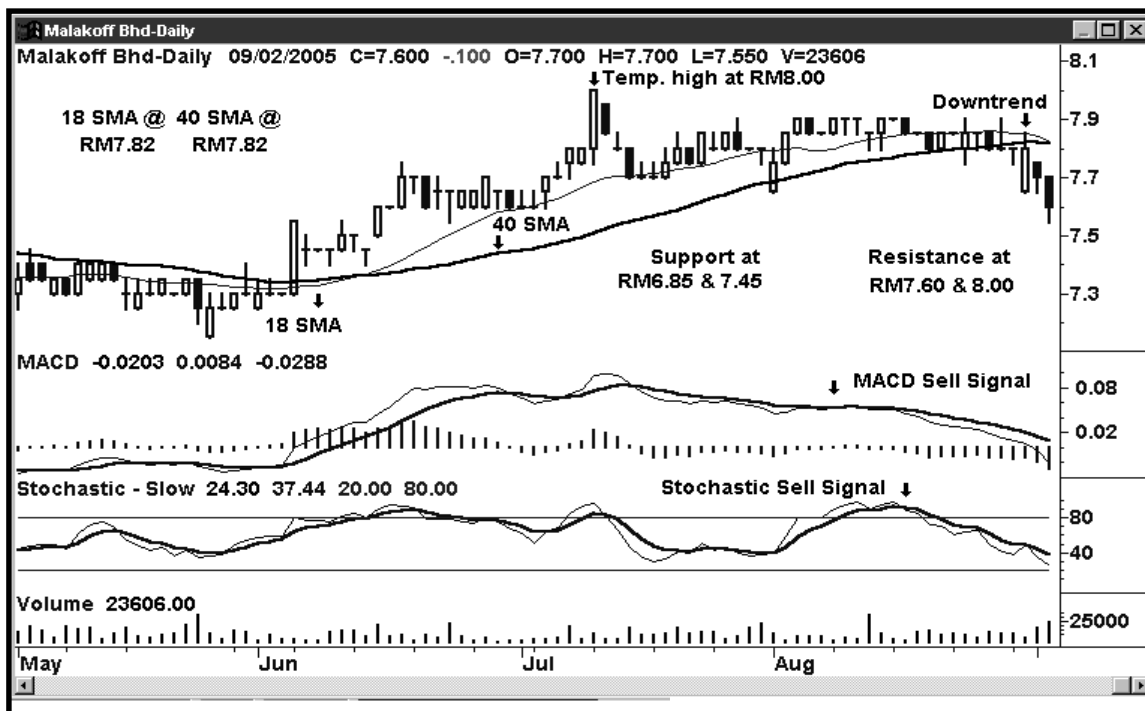
**SELL.** It dropped to a recent 11-week low of RM1.39. Its daily, weekly and monthly downtrends have emerged. Selling BRDB would be the wise move that investors should take.

**MALAKOF - RM7.60**

**SELL**

(Stock Code: 2496)

Fundamental Charting



**Malakoff Berhad** is an investment holding company. It generates and sells electricity, operates and maintains power plants, provides project management services, and builds and operates district cooling plant, electricity distribution system, and co-generation plant.

**FUNDAMENTALS**

Board	: Main
Sector	: Trading
52 week high	: RM8.20
52 week low	: RM6.20
NTA	: RM2.53
Beta vs. KLCI	: 0.79
Hist. EPS	: 56.0 sen
P/E	: 13.6x
Ind. P/E	: 34.7x
Net Profit	: RM 496.9mil
Avg Daily 3mth Vol.:	: 823,771 shares

**Fundamental Rating: 4/5 (Good)**

**TECHNICALS**

CCI	: Sell
DMI	: Sell
MACD	: Sell
Stochastic	: Sell
Oscillator	: Sell
Support S1/S2	: RM6.85 & 7.45
Resistance R1/R2	: RM7.60 & 8.00
Trend	: DOWN
Downside target T1/T2:	: RM6.85 & 7.45
Stop-loss	: N/A
Down period	: 2 days to 3mths

**Chart Rating: 2/5 (Poor)**

**Recommendation**

**SELL.** It dropped to a recent 9-week low of RM7.55. Its daily downtrend has emerged. Selling MALAKOFF would be the wise move that investors should take.

## CORE STOCKS WATCH

	STOCK NAME/ KLSE INDICES	Paid-Up Capital (mil shares)	Close 02-Sep (RM) *	Daily Change (RM) *	VOLUME (mil)			Moving 12-month		RECOMMENDATION	14-day RSI Momentum
					02-Sep	Daily change	30-day Average	High (RM) *	Low (RM) *		
	KL Composite Index	-	909.18	(0.49)	87.450	(3.740)	82.951	953.88	836.02	SELL RALLIES 909 - 920	34
	2nd Board Index	-	87.35	(0.36)	31.570	+1.164	37.850	115.37	80.37	BUY 80 - 83, SELL 87 - 90	25
	Mesdaq	-	90.68	+0.48	44.957	(9.860)	43.172	131.00	82.65	BUY 82 - 85, SELL 90 - 93	31
1	IJM CORP.	458.66	4.80	u/c	0.161	(0.183)	0.601	5.10	4.44	SELL RALLIES 4.80 - 5.00	33
2	ROAD BUILDER	521.51	1.88	(0.08)	0.718	+0.400	0.210	2.96	1.86	SELL RALLIES 1.88 - 2.04	10
3	PLUS	5,000.00	3.16	+0.02	1.959	+0.266	2.728	3.42	2.44	BUY 2.72 - 2.90, SELL 3.16 - 3.34	38
4	YTL CORP.	1,496.41	5.40	(0.05)	0.655	+0.462	1.173	5.85	4.06	BUY 5.00 - 5.15, SELL 5.40 - 5.65	42
5	EON	248.99	3.40	(0.08)	0.064	+0.028	0.051	5.45	3.00	SELL RALLIES 3.40 - 3.62	19
6	PROTON	549.21	8.70	+0.25	1.114	(1.551)	1.876	10.00	6.90	SELL RALLIES 8.70 - 9.20	46
7	COMMERCE	2,707.88	5.80	(0.05)	9.527	(4.165)	5.912	5.95	4.42	BUY 5.30 - 5.50, SELL 5.80 - 6.15	62
8	MAYBANK	3,711.63	11.30	u/c	2.996	(0.179)	2.938	12.70	10.70	BUY 10.60 - 10.90, SELL 11.30 - 11.60	49
9	PUBLIC BANK - F	3,397.54	6.75	u/c	1.431	(1.882)	2.130	8.20	6.35	BUY 6.15 - 6.40, SELL 6.75 - 7.00	40
10	AMMB HOLDINGS	2,130.53	2.55	+0.01	2.566	+0.800	2.279	3.52	2.21	SELL RALLIES 2.55 - 2.70	36
11	MPI	209.88	10.50	u/c	0.014	(0.083)	0.113	15.00	10.40	BUY 9.75 - 10.00, SELL 10.50 - 10.90	28
12	UNISEM (M)	446.93	1.42	(0.04)	0.319	(0.141)	0.756	2.57	1.42	SELL RALLIES 1.42 - 1.58	16
13	TNB	3,201.30	10.90	u/c	4.379	+1.617	5.460	12.60	9.95	SELL RALLIES 10.90 - 11.30	44
14	MALAKOFF	890.53	7.60	(0.10)	2.361	+0.780	0.940	8.20	6.20	SELL RALLIES 7.60 - 8.00	29
15	B-TOTO	1,185.13	4.56	+0.04	0.859	(0.214)	1.670	4.78	3.50	BUY 4.18 - 4.38, SELL 4.56 - 4.76	48
16	MAGNUM	1,567.45	2.06	+0.03	0.702	(0.601)	0.878	2.67	1.99	SELL RALLIES 2.06 - 2.20	39
17	RESORTS	1,091.84	10.60	+0.20	2.749	+2.052	0.613	10.80	9.10	BUY 9.95 - 10.30, SELL 10.60 - 11.00	64
18	TELEKOM	3,386.13	10.20	(0.20)	5.446	+0.288	3.682	12.70	9.20	SELL RALLIES 10.20 - 10.60	33
19	MAXIS	2,478.69	9.45	+0.15	5.079	(8.503)	4.022	10.30	8.45	SELL RALLIES 9.45 - 9.75	34
20	MISC	1,859.91	17.80	+0.10	0.375	(0.388)	0.562	19.00	12.30	SELL RALLIES 17.80 - 18.20	38
21	IOI CORP.	1,117.35	11.40	+0.10	0.884	(0.282)	1.360	11.50	8.40	BUY 10.80 - 11.10, SELL 11.40 - 11.80	60
22	STAR	341.49	7.25	+0.15	0.542	(0.348)	0.630	7.55	6.30	SELL RALLIES 7.25 - 7.50	49
23	S. DARBY	2,388.05	6.10	u/c	0.963	(0.819)	1.341	6.65	5.45	BUY 5.50 - 5.75, SELL 6.10 - 6.40	51
24	SP SETIA	640.77	4.26	(0.02)	0.169	(0.190)	1.195	4.58	3.60	BUY 3.94 - 4.10, SELL 4.26 - 4.42	54

Legend for 14-day RSI Momentum : VOS = Very Over-Sold (below 10); OS = Over-Sold (10 to 20);

NL = Neutral Low (20 to 50); NH = Neutral High (50 to 80); OB = Over-Bought (80 to 90); VOB = Very Over-Bought (above 90).

\* Except for the indices

### Stock Legend

- STRONG BUY** - Fundamentals & technicals strong. Generally > 10% upside.
- TRADING BUY** - Fundamentals poor but technicals strong. Generally > 10% upside, with risks to the downside.
- TAKE PROFIT** - Target price attained.
- SELL** - Technical picture has turned negative. Generally > 10% to the downside.

### Rating Legend

- 1/5 = Very Poor  
 2/5 = Poor  
 3/5 = Average  
 4/5 = Good  
 5/5 = Very Good



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Head of Research

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