



PE	04A	05F	06F
Market	15.1	14.1	12.5
OSK Universe	15.7	14.3	12.6

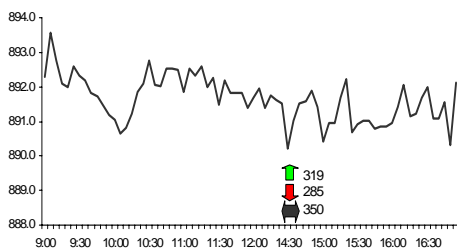
	Value	Chg	% chg
<b>KLSE</b>			
Composite	892.13	-3.72	-0.4%
Emas	202.26	-0.61	-0.3%
2nd Board	79.94	0.48	0.6%
Volume (m)	264.37	-22.10	-7.7%
Value (RM'm)	396.38	-136.43	-25.6%

<b>World Indices</b>			
Dow Jones	CLOSED	-	-
Nasdaq	CLOSED	-	-
S&P500	CLOSED	-	-
FTSE	CLOSED	-	-
STI	CLOSED	-	-
Hang Seng	CLOSED	-	-
Nikkei	16107.67	166.30	1.0%
KOSPI	1367.57	8.04	0.6%
TWSE	6534.77	22.14	0.3%
SET	701.37	2.42	0.3%

<b>Futures</b>			
FKLI - Dec'05	893.00	2.00	0.2%
FKLI - Jan'06	884.50	2.50	0.3%
CPO - Mar'06	1415.00	4.00	0.3%
Crude oil(US\$)	58.43	0.18	0.3%

<b>RINGGIT</b>			
US Dollar	3.7797	0.00	0.0%
Sterling	6.5716	-0.02	-0.3%
Euro	4.4895	0.02	0.4%
Jap Yen(100)	3.2428	0.03	0.8%
Spore Dollar	2.2640	0.00	0.0%

KLCI Intraday Chart



KEY IDEAS

2006 STRATEGY INVESTMENT: D&O Ventures and TSH Resources (Part 6)

MEDIA HIGHLIGHTS

CONSTRUCTION SECTOR: Malaysia conveys interest in RM14.3bn Bosnian road project

MAS (RM2.88): Key recruitment to strengthen management team, and to reveal business turnaround plan in Feb 2006

ECONOMICS

OFF MARKET DEALS

TECHNICAL VIEW

DAILY RANGE PROJECTIONS

No year end buildup. Acting within expectations, the market ended 0.4% lower last Friday to close at 892.13. W-o-w, the KLCI closed 1.24 points down. Titan's Indonesian venture failed to excite investors last week as too few details were given and news of Telekom announcing the purchase of 24.4% stake in the mobile phone distribution unit of Thailand's Samart Corp also caused no stir. Among news items appearing late last week was of Proton being in talks to sell its stake in MV Agusta. In today's papers, MAS takes the headlines saying that it has strengthened its management team by hiring several experienced airline personnel. Among those expected to join are 2 senior executives from AirAsia. We expect another lackluster week as we now prepare to usher in a new year. The outlook therefore is still predominantly bearish for now and the market is expected to test the 892 immediate support level then the 888 level next.

**Construction Sector**  
**Malaysia conveys**  
**interest in RM14.3bn**  
**Bosnian road project**

Works Minister, Datuk Seri S. Samy Vellu, who is on a three-day visit to Bosnia and Herzegovina, held talks with several leaders of the Balkan state in Sarajevo on the proposed RM14.3 billion expressway project. The project is part of the Corridor Vc Motorway that will connect Budapest in Hungary to Ploce in Croatia, through Sarajevo in Bosnia and Herzegovina with total length of 667km. (*Business Times*)

**Malaysian Airline**  
**System**  
**Key recruitment to**  
**strengthen**  
**management team**

**Malaysian Airline System Bhd (MAS)** has continued to strengthen its management team, with the recruitment of several experienced personnel from the airline industry. Among those expected to join are Bernard Francis and Kaneswaran Avili, both of whom were former executives at low cost carrier, AirAsia and have been roped in to institute cost control measures, reduce operational expenditure as well as boost revenue. (*The Edge Financial Daily*)

**To reveal business**  
**turnaround plan in**  
**Feb 2006**

On the separate news, MAS reviewed its comprehensive Business Turnaround Plan, to be revealed in February 2006. The plan will comprise several elements to ensure the airline's survival including cashflow, profit turnaround and human resources. Its chairman Datuk Munir Majid said MAS would carry out an extensive outreach to engage with the staff over the next few months, as well as with the government, Khazanah and key business partners. (*The Edge Financial Daily*)

**Japan**  
**Manufacturer's**  
**confidence rises**

### Economics

The confidence among the larger manufacturers in Japan gained for the second straight quarter as the economy recovered and stock market rebounded. Confidence among manufacturers with at least 1 billion yen in capital rose to 10.5 points in 4Q 05, up from 6.4 points in the previous quarter. The gain in confidence added further signs that the capital investment by companies may be sustainable and could fuel economic recovery in the country. However, confidence among large non-manufacturers fell marginally to 10.5 points from 11.6 points. The report showed that manufacturers planned to expand spending by 14.3% while non-manufacturers would spend 10.3% more.

**U.S.**  
**Durable goods**  
**orders rose 4.4%,**  
**ex-transport down**  
**0.6%**

Durable goods orders rose 4.4% in November on strong demand for aircrafts. Excluding transportation, the orders unexpectedly shrank 0.6% as defense orders declined. Economists expected the orders to rise by 1.2% while ex-transport was expected to edge up by 1%. Orders for transportation rose by 15.6% propelled by the 134% rise in aircraft orders. However, this was cushioned by the 5.7% fall in bookings for motor vehicles.

**U.S.**  
**New home sales fall**  
**more than expected**

New home sales in the U.S. fell the most in almost 12 years on the back of rising interest rates. New home sales plunged 11.3% in November, more than the 7.4% expected by the market. The median new-home price fell for a third straight month to USD225,200.

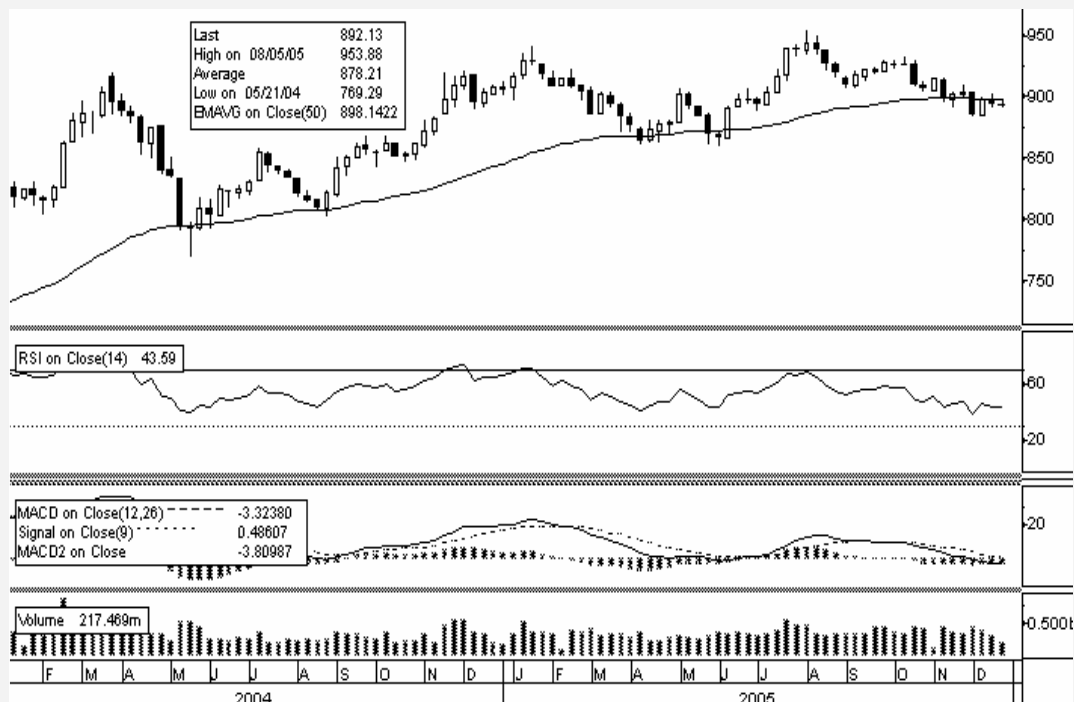
**U.S.**  
**Consumer**  
**confidence**  
**continues to rise**

The University of Michigan's consumer confidence index gained 10 pts in December to 91.5 pts from 81.6 pts in November. The current conditions index rose to 109.1 in December from 100.2 in the previous month while the expectations index rose sharply to 80.2 from 69.6 in November. The improvement was largely attributable to the softening of gasoline prices.

### Off Market Deals

Share	Average Price	Volume	Value
Gamuda	3.34	2,450,300	8,184,002
Nestle	24.70	300,000	7,410,000

### Technical View – Keep The Gunpowder Dry For Now



For the whole of last week, the KLCI consolidated within a tight range of 890.47 – 901.59. If we look at the bigger picture, in the past 3 trading weeks, the KLCI has been range-bound from 883 – 904 on shrinking volume. The good news is that from such a well-defined trading range, we can be quite certain that the direction of the range breakout will be the market direction in the following weeks. The bad news is that until such a breakout takes place, the probability of guessing the market direction correctly is as good as flipping a coin.

Fortunately, there are technical tools we can use to slightly improve the odds of guessing market direction. Looking at the weekly MACD histogram, it has been rising for three consecutive weeks. This tells us that the selling pressure has diminished and some accumulation has been taking place. The weekly RSI is in neutral zone with a reading of 43. Looking at the past two years' history, the RSI tends to bottom out in the 40s area and does not fall to oversold territory. Hence, this is where the market has been carving bottoms.

What we need now is a confirmation via an upside breakout from the range. Trigger point is now at 904. We would suggest saving the ammunitions for now particularly for short-term traders. Longer-term investors or those with significant fund size could however start passive accumulation. Aggressive buying is not warranted at the moment but do keep the guns loaded in the event of a bullish breakout.

## Pivot Technique

Index/Stock Name	Closing Level	Projected Supports and Resistances Based On Pivot Technique						
		Support 3	Support 2	Support 1	Pivot Point	Resistance 1	Resistance 2	Resistance 3
KUALA LUMPUR COMP INDEX	892.13	884.90	888.38	890.15	891.86	893.63	895.34	897.11
KUALA LUMPUR 2ND BOARD	79.94	78.45	79.05	79.37	79.65	79.97	80.25	80.57
MESDAQ COMPOSITE INDEX	86.22	83.52	84.84	85.68	86.16	87.00	87.48	88.32
KL COMPOSITE INDX Dec05	893.00	885.38	888.88	890.75	892.38	894.25	895.88	897.75
KL COMPOSITE INDX Jan06	884.50	872.63	877.63	880.75	882.63	885.75	887.63	890.75
PALM OIL FUT Mar06	1418.00	1388.00	1402.00	1408.00	1416.00	1422.00	1430.00	1436.00
SOYBEAN OIL FUTR Jan06	21.56	21.18	21.34	21.41	21.50	21.57	21.66	21.73
Generic 1st 'CL' Future	58.14	57.56	57.90	58.03	58.24	58.37	58.58	58.71
KZEN SOLUTIONS BERHAD	0.575	0.478	0.523	0.540	0.568	0.585	0.613	0.630
NAIM INDAH CORP BHD	0.170	0.121	0.141	0.153	0.161	0.173	0.181	0.193
STARHILL REAL ESTATE INVESTM	1.040	0.943	0.983	1.005	1.023	1.045	1.063	1.085
JAKS RESOURCES BHD	0.460	0.231	0.336	0.378	0.441	0.483	0.546	0.588
MALAYAN BANKING BHD	11.000	10.275	10.575	10.750	10.875	11.050	11.175	11.350
NEXTNATION COMMUNICATION BHD	0.535	0.459	0.494	0.513	0.529	0.548	0.564	0.583
MK LAND HOLDINGS BHD	0.515	0.451	0.481	0.493	0.511	0.523	0.541	0.553
YTL POWER INTERNATIONAL BHD	2.210	2.160	2.180	2.190	2.200	2.210	2.220	2.230
OSK VENTURES INTERNATIONAL	2.100	1.785	1.995	2.100	2.205	2.310	2.415	2.520
FARM'S BEST BHD	2.090	1.975	2.025	2.050	2.075	2.100	2.125	2.150
SILVER BIRD GROUP BHD-WT10	0.135	0.111	0.121	0.128	0.131	0.138	0.141	0.148
TIME DOTCOM BHD	0.455	0.405	0.430	0.440	0.455	0.465	0.480	0.490
OSK HOLDINGS BHD-WT10	0.220	0.151	0.196	0.218	0.241	0.263	0.286	0.308
ASIAEP BHD	0.160	0.124	0.139	0.148	0.154	0.163	0.169	0.178
IGB CORPORATION BHD	1.140	1.073	1.103	1.115	1.133	1.145	1.163	1.175
SAPURACREST PETROLEUM BHD	0.600	0.526	0.561	0.578	0.596	0.613	0.631	0.648
CAN-ONE BHD	0.930	0.630	0.760	0.850	0.890	0.980	1.020	1.110
GREEN PACKET BHD	2.150	1.898	2.028	2.085	2.158	2.215	2.288	2.345
LEONG HUP HOLDINGS BHD	1.350	0.933	1.103	1.185	1.273	1.355	1.443	1.525
BUMIPUTRA-COMMERCE HLDGS BHD	5.400	5.238	5.338	5.375	5.438	5.475	5.538	5.575
INDUSTRI TEKNOLOGI MIKRO BHD	0.245	0.185	0.215	0.235	0.245	0.265	0.275	0.295
N2N CONNECT BHD	0.535	0.503	0.518	0.525	0.533	0.540	0.548	0.555
LION CORP BHD	0.470	0.336	0.391	0.418	0.446	0.473	0.501	0.528
LION INDUSTRIES CORP BHD	0.540	0.478	0.503	0.515	0.528	0.540	0.553	0.565
HUAT LAI RESOURCES-WT10	0.250	0.166	0.201	0.218	0.236	0.253	0.271	0.288
MALAKOFF BHD	7.950	7.863	7.913	7.925	7.963	7.975	8.013	8.025
RUBY QUEST BHD	0.170	0.151	0.161	0.168	0.171	0.178	0.181	0.188
FLONIC HI-TEC BHD	0.895	0.816	0.851	0.868	0.886	0.903	0.921	0.938

Note: Investors are advised to use their own discretion in making investment decisions based on the PPT. The table is merely a guide on trading ideas and must not be construed as a buy or sell recommendation.

**CORPORATE ACTION CALENDAR**

<b>Entitlements</b>		
<b>Ex-date</b>	<b>Name</b>	<b>Details</b>
28-Dec-05	Berjaya Sports Toto	Second interim dividend of 12.5 sen less tax
30-Dec-05	Carotech	3-for-5 bonus issue
4-Jan-06	Tanjong Public Ltd Co	3rd interim dividend of 12 sen per share less tax
5-Jan-06	Malakof	Final dividend of 17 sen per share less tax
5-Jan-06	Efficient E-Solutions	Interim dividend of 10% less tax
6-Jan-06	Global Soft	1-for-2 bonus issue
9-Jan-06	Panasonic	Interim dividend of 15% less tax
11-Jan-06	Gamuda	Final dividend of 9% per ordinary share less tax
18-Jan-06	F&N	Final dividend of 28 sen gross per share
24-Jan-06	KPJ Healthcare	Interim dividend of 8% less tax
25-Jan-06	IJM Corporation	First interim dividend of 5% less tax
21-Feb-06	Kuala Lumpur Kepong	Final dividend of 9 sen per share less tax Special dividend of 25 sen per share less tax
22-Feb-06	Batu Kawan	Final dividend of 9% less tax Special dividend of 25% less tax
22-Feb-06	London Biscuit	First & final dividend of 15% less tax
<b>IPOs</b>		
<b>Company</b>	<b>Prospectus date</b>	<b>Listing date</b>
UOA Real Estate Investment Trust	13-Dec-05	30-Dec-05
K-One Technology	1-Dec-05	5-Jan-06
MMS Ventures	15-Dec-05	6-Jan-06

**ECONOMIC CALENDAR**

<b>Economic Events</b>		
<b>Date</b>	<b>Events</b>	<b>Details</b>
27-30 Dec	Balance of Payment	3Q 05
28-Dec-05	Money Supply	Nov-05

All research is based on material compiled from data considered to be reliable at the time of writing. However, information and opinions expressed will be subject to change at short notice, and no part of this report is to be construed as an offer or solicitation of an offer to transact any securities or financial instruments whether referred to herein or otherwise. We do not accept any liability directly or indirectly that may arise from investment decision-making based on this report. The company, its directors, officers, employees and/or connected persons may periodically hold an interest and/or underwriting commitments in the securities mentioned.

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