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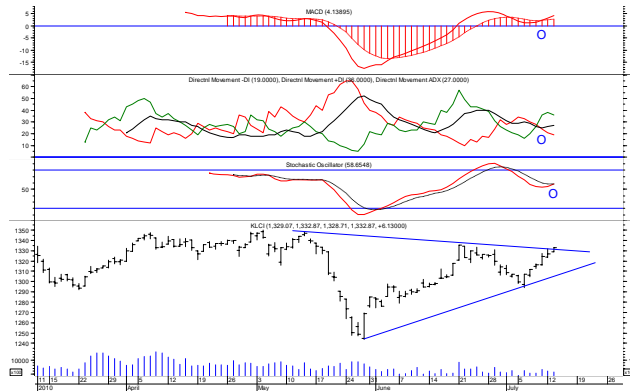
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## MARKET FLASH

### FBM KLCI

Wed, 14 July 2010



### MARKET STATISTICS (13/7/10)

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,332.87	+ 6.13
FBM 100	8,768.62	+ 37.40
FBM ACE	3,768.64	+ 27.58
Volume (m)	574.3	
Value (RMm)	1,085.1	
Up	363	
Down	284	
Unchanged	289	

### FOREIGN

Nikkei	9,537.23	- 10.88
Hang Seng	20,431.06	- 36.07
STI	2,928.70	+ 3.38
Shanghai CI	2,450.29	- 40.43

### BURSA MOVERS

Gainers	Close	Chg
Digi	23.48	+ 0.50
KFC	10.62	+ 0.32
UtdPlant	14.30	+ 0.30
Kulim	7.75	+ 0.27
Kossan	8.00	+ 0.26

Losers	Close	Chg
OCB	0.585	- 0.215
BAT	43.80	- 0.20
Help	3.32	- 0.10
Mitra-WB	0.045	- 0.095
Imaspro	0.78	- 0.07

Actives	Close	Chg
ScomiMR	0.49	+ 0.06
Kenmark	0.06	- 0.025
Axiata	4.13	+ 0.01
Scomi	0.41	+ 0.01
Sinotop	0.285	+ 0.01

### Today's Market Direction :

FBM KLCI would likely to trade **above** **1,332.87** level.

### Market Buying Strength :

About **86%** of total market volume on 13/7/2010 was on buying side compared to **67%** in the preceding trading day.

### "Movement" in Strong Hands :

Strong hands were seen **liquidating** a portion of stock positions on 13/7/2010.

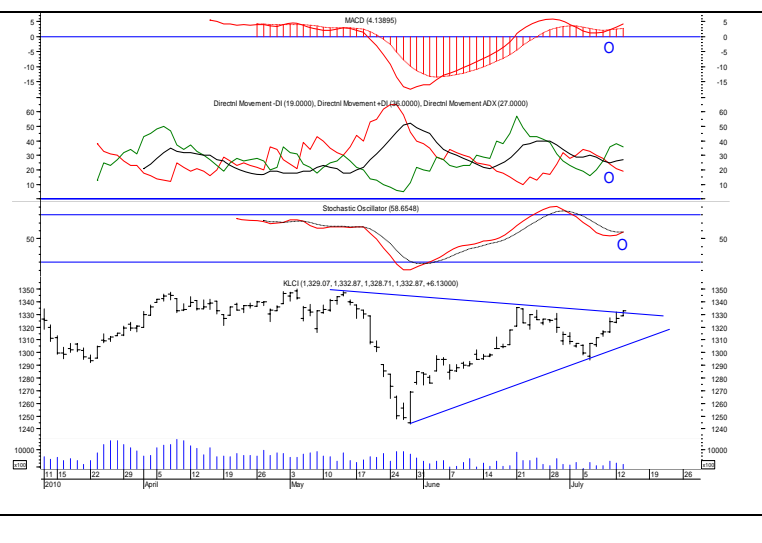
### Pivot Point Studies for Intra-Day :

For **Wednesday (14/7/2010)**, 1<sup>st</sup> resistance @ **1,334.2** & 2<sup>nd</sup> resistance @ **1,335.6** ; 1<sup>st</sup> support @ **1,330.1** & 2<sup>nd</sup> support @ **1,327.3**.

**To read more .....**

## Technical Analysis – Daily FBM KLCI

	13/7/10	12/7/10
Open	1,329.87	1,323.91
High	1,332.87	1,331.74
Low	1,328.71	1,323.55
Close	1,332.87	1,326.74
Volume	574.3 m	610.6 m
<b>Market Breadth</b>		
Up	363	371
Down	284	265
Unchanged	289	277
<b>Indicators</b>		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	sell



**Towards a high higher than 1,335.31.....**

### Market Commentary :

In anticipation of a cautious waiting for coming 2<sup>nd</sup> quarter earnings reports, DJIA had on 12/7/2010 registered a gain of 18.24 points to close at 10,216.27.

The marginal double-digit gain in Wall Street sent another friendly signal to Bursa Malaysia in the opening bell on 13/7/2010, FBM KLCI only traded to a day low of **1,328.71** as traders were seen reluctant to sell down the market. In the absence of stronger selling pressure, renewed buying interest rolled in, this lifted stock index to a day high of **1,332.87** before settled at **day high**.

The **rise** of **6.13** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.01), **CIMB** (up RM0.03), **Maybank** (up RM0.02), **Axiata** (up RM0.01) and **HLBank** (up RM0.08).

### What was the chart saying .....

Market found light follow thru buying interest above 1,300 level yesterday (13/7/2010) after the up close scenario in the preceding day (12/7/2010). The **decrease** in buying on 13/7/2010 was again not a surprise as majority of traders were not convinced of the market strength that had taken this market to this high even since the 1,300 level cross over on 6/7/2010, **Why ?** Because these traders were still seen shaken up by the downside violation of 1,300 level on 5/7/2010.

A game change to sideways was believed to have taken place on 6/7/2010, because **bearish traders were not seen taking advantage of the weak market situation on 5/7/2010 to aggressively press the stock index down in the following day on 6/7/2010 when they had the upper hand to do so. But, somehow these bearish traders were held up for certain reason(s) which they themselves knew best .....** this could thus be interpreted as a signal to other traders **NOT** to get overly bearish about the market at this juncture.

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**When can we see an end to this market uncertainty ?** Firstly, the downside violation of 1,320 level on 29/6/2010 had already indicated higher degree of selling pressure in the market, and the external negative factor (fall in DJIA) had helped to expedite the selling pace to lower level (day low of 1,294.37 on 6/7/2010). Secondly, this market must re-establish itself above 1,300 level with good supportive play in coming days. More importantly, the negative image of market earlier attempt to "breakaway" to the upside on 29/6/2010 ended with greater selling pressure must be cleared mentally and to follow by a higher market than 1,336 level on a decisive basis.

The way market carried itself on 6/7/2010 suggested that the 32 points sharp rise on 18/6/2010 & 21/6/2010 had more or less been "corrected", and there is a high chance of seeing this market to test higher ground. Of course, bearish traders' would still be sceptical about the market potential to go very far up.

On 12/7/2010, the market hit the downward sloping upper line of the triangle pattern, followed by a higher high the next day (13/7/2010). Given such a friendly market scenario, traders should be staging another follow thru buying today (14/7/2010) if traders with winning trades do not choose to lock in a portion of their profits.

### **What were the strong hands doing .....**

A check of internal market strength on 13/7/2010 showed that buying strength weakened with strong hand(s) seen disposing a portion of buying positions, the number of stock positions established on 13/7/2010 added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 20% from 15% in the preceding trading day (12/7/2010).

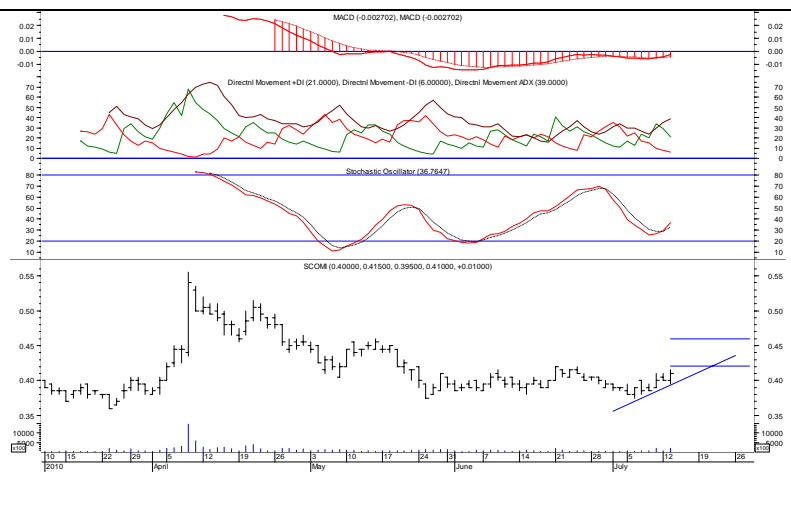
### **Conclusion :**

**Market outlook got friendlier in the short term with settlement on 13/7/2010 above 50-day moving average.**

The analysis of overall daily market action(s) on 13/7/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,332.87

## Today's Hot Pick – Scomi

	13/7/2010	12/7/2010
Open	0.40	0.405
High	0.415	0.41
Low	0.395	0.40
Close	0.41	0.40
Volume	201,642	77,008
<b>Indicators</b>		
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy



**Chart wise** : *Gearing up for more upside .....*

**Scomi (7158** - MainBoard) had on 13/7/2010 traded higher to reach a day **high of RM0.415** before settled at **RM0.41**.

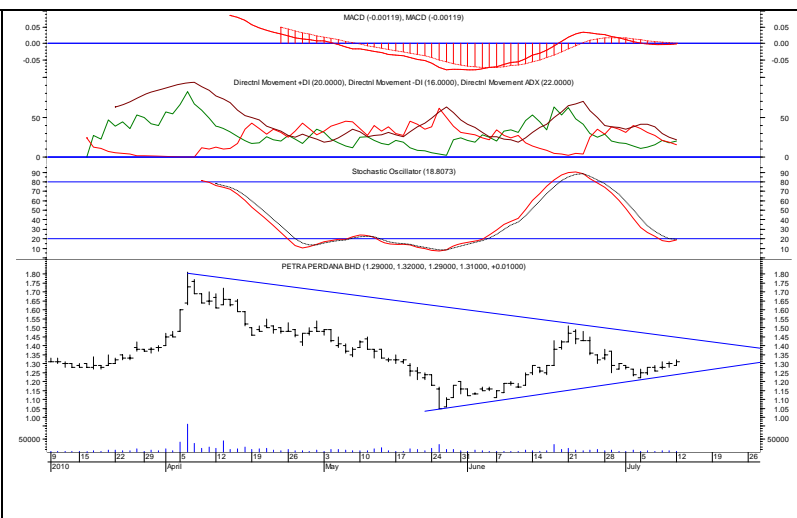
**Next Potential Upside Target** : An upside violation of **RM0.42 level** would see **Scomi** likely to trade upward with next upside target at **RM0.46**.

**Entry Level** : Risk taking traders may establish buying position at **RM0.405** 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 **RM0.39** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

## Today's Hot Pick – **Petra Perdana**

	13/7/2010	12/7/2010
Open	1.29	1.30
High	1.32	1.31
Low	1.30	1.28
Close	1.32	1.30
Volume	1,665	5,410
<b>Indicators</b>		
MACD	sell	sell
DM index	buy	sell
Stochastics	sell	sell



**Chart wise** : *A technical rebound seen within triangle .....*

**Petra (7108 - MainBoard)** had on 13/7/2010 crossed over RM1.30 hurdle to a day **high** of RM1.32 before settled at **RM1.32**.

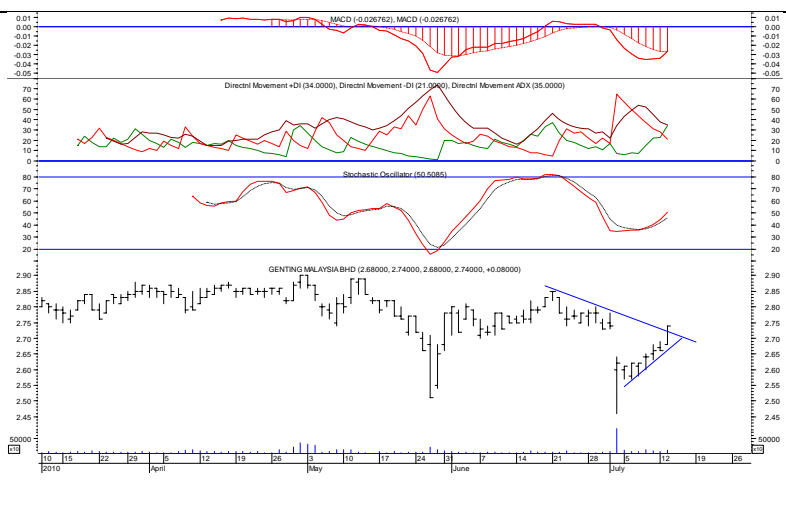
**Next Potential Upside Target** : With the upside violation of **RM1.30 level**, **Petra Perdana** looked set to trade upward with next upside target at **RM1.43**.

**Entry Level** : Risk taking traders may establish buying position at **RM1.30** 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 **RM1.27** level must be placed for risk capital protection followed by a trailing stop loss strategy.

## Current Active Stock Review – GenM

	13/7/2010	12/7/2010
Open	2.68	2.67
High	2.74	2.69
Low	2.68	2.66
Close	2.74	2.66
Volume	100,582	60,767
<b>Indicators</b>	13/7/2010	12/7/2010
MACD	buy	sell
DM index	buy	sell
Stochastics	buy	buy



**Chart wise** : Immediate Resistance seen at RM2.80 .....

**GenM (4715 - MainBoard)** had on 13/7/2010 traded higher to reach a day high of RM2.74 before settled at day high.

**Price Direction** .....

In view of an increase in market participation, the stock could be expected to trade upward in coming day(s) with an immediate overhead resistance pegged at RM2.80 and support at RM2.68.

**What to watch for** ....

A turnaround of prices to close above RM3.00 level would see an immediate short term reversing direction in the stock.

## Active Stock Review – **QL Resources Bhd**



### Chart wise

### Trading buy.

**QL Resources Bhd** (7084-Main Market-Consumer Products)

We recommend QL Resources as the share price had rose to the occasion and in recent days made new highs at RN4.32. At this juncture, we are inclined a bullish view as its' technical indicators are on the upswing and major support levels not challenged.

Hence, as long as the uptrend line is maintained, QL remains a trading buy.

## **MAJOR NEWS**

### **Commodity, Currency and Economic News**

**Singapore** raised its growth forecast for a third time this year after manufacturing output surged and the opening of two casinos boosted services, spurring a recovery that's prompted the central bank to tighten monetary policy. Gross domestic product will expand between 13 percent and 15 percent in 2010, compared with an earlier forecast for growth of as much as 9 percent, the trade ministry said in a statement today. That compares with the 10.7 percent median estimate in a Bloomberg News survey of 14 economists. A year after Singapore exited its worst recession since independence in 1965, tourists are arriving in record numbers, companies have increased hiring and vessels are leaving the city's ports carrying more cargo. The island's strengthening economy has added to an Asian rebound that prompted central banks to raise interest rates in recent weeks, even amid concern that Europe's debt crisis will slow the global recovery. (Bloomberg)

**The yen** declined to the lowest level in more than three weeks versus the euro as signs of profit growth at U.S. companies boosted demand for riskier assets. The euro traded near a two-month high versus the dollar as Intel Corp., the world's biggest chipmaker, reported record second-quarter sales and topped analysts' estimates with its forecast for the coming period. Australia's currency was near a three-week high as Asian stocks extended a rally in global equities, boosting demand for currencies tied to growth. (Bloomberg)

**Oil prices** rose Tuesday as the global recovery got a boost on two fronts after weeks of mixed economic news. Benchmark crude for August delivery gained US\$2.20 to settle at \$77.15 on the New York Mercantile Exchange, a day after the quarterly company earnings season got off to a better-than-expected start. In addition, a new global forecast called for a slight improvement in oil demand next year. (Star)

**Crude palm oil (CPO) futures** prices on Bursa Malaysia Derivatives trimmed earlier losses to end higher yesterday after crude oil advanced in New York amid signs of rising demand, dealers said. The crude oil price was hovering at US\$75 (US\$1.00 = RM3.26) per barrel, up from US\$74 per barrel on Monday. At the close yesterday, the July 2010 contract closed RM9 higher at RM2,449 per tonne, August 2010 added RM11 to RM2,395 per tonne, September gained RM13 to RM2,353 per tonne and October 2010 increased RM14 to RM2,335 per tonne. Volume, however, dropped to 13,841 lots from 15,201 lots on Monday and open interest declined to 72,201 contracts from 73,512 contracts previously. (BTimes)

**The ringgit** eased for the second day against the US dollar yesterday in tandem with other Asian currencies on talks that China's economy is slowing, a dealer said. At the close, the ringgit traded at 3.2055/2085 to the US dollar, weaker than Monday's closing price of 3.2030/2070. "We saw a bit of profit-taking in the local unit during the second session," the dealer said. He also said the Asian currencies weakened after Moody's downgraded Portugal's credit rating by two notches to A1 yesterday. At the close, with the exception of Euro, the ringgit was lower against all other major currencies. (BTimes)

## Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10363.02	146.75	1.44	Nasdaq CI	2242.03	43.67	1.99
S&P 500	1095.34	16.59	1.54	FTSE 100	5271.02	104.00	2.01

## Global and Local Headlines

**U.S. and European** stocks climbed for a sixth day, commodities rallied and Treasuries extended their longest losing streak in 11 months as Alcoa Inc.'s forecast of growing global demand and Greece's sale of debt bolstered optimism in the economic outlook. The Standard & Poor's 500 Index rose 1.5 percent to 1,095.34 at 4 p.m. in New York, extending its longest rally in three months, and the Stoxx Europe 600 Index surged 1.9 percent. Oil gained 2.9 percent and the S&P GSCI Index of commodities jumped 2.2 percent. Ten-year Treasury yields rose five basis points to 3.11 percent as the U.S. government securities retreated for a fifth straight day. The euro surged above \$1.27. (Bloomberg)

**Abu Dhabi's** crown prince, a member of the board of one of the world's largest sovereign wealth funds, said the emirate is considering an investment in BP Plc after the company lost half its value following the worst oil spill in U.S. history. "We are still thinking about it," Sheikh Mohammed bin Zayed Al Nahyan said in an interview in Abu Dhabi today, when asked about potentially buying a stake in the London-based oil producer. "We are looking across the board. We have been partners with BP for years." (Bloomberg)

**Intel Corp.**, the world's biggest chipmaker, reported record second-quarter sales and topped analysts' estimates with its forecast for this period, allaying concern that a rebound in technology spending is losing steam. Third-quarter sales will be \$11.6 billion, plus or minus \$400 million, the Santa Clara, California-based company said today in a statement. Analysts had estimated \$10.9 billion on average, according to a Bloomberg survey. (Bloomberg)

For the first time since getting bailed out in May, **Greece** sold Treasury bills at an interest rate below the 5 percent charged by the European Union when it rescued the nation from default. The domestic auction suggests that confidence among banks in Greece, which purchased 80 percent of the 1.625 billion euros (\$2.1 billion) of 26-week bills today, is growing. Prime Minister George Papandreou's government cut wages, postponed retirements and raised taxes to trim the euro-region's second-highest budget deficit and restore investor willingness to lend. (Bloomberg)

Despite the uncertainty in the global economy, interest in **KLCC Property Holdings Bhd's** (KLCCP) Lot C project is strong. Lot C will add 140,000 sq ft to the current one million sq ft of retail and office space in Suria KLCC. Director Datuk Manharlal Ratilal said the RM1bil development would be seamlessly connected to Suria KLCC. "The project will complement Suria KLCC which has attracted about four million visitors annually for the past three years," he said. (Star)

**Scomi Marine Bhd** (SCOMIMR) may undertake a capital repayment exercise following the huge gains made from the disposal of its Indonesian coal shipping assets, which boosted its net cash to RM552mil. The company, however, is also looking at other options which include investing in larger vessels to expand its coal shipping business in Indonesia beyond South-East Asia or an entirely new business direction, said a source. "Upon the completion of the disposal, the board will have an action plan," said the source. (Star)

**Seloga Holdings Bhd** (SELOGA) has revised its proposed rights issue to comprise up to 49 million new 25 sen shares with up to 73.6 million detachable warrants at 25 sen per rights share, on the basis of two rights shares and three free warrants for every five shares held after the proposed capital restructuring. It had earlier proposed a renounceable rights issue of up to 107 million rights shares on the basis of four rights shares for every five shares held after the proposed capital restructuring. It told Bursa Malaysia the revised proposal took into consideration the improved financial position and cash flow position of the group. (Star)

**Malaysian Mosaics Bhd** (MMOSAIC) has received a privatisation proposal from Gek Poh (Holdings) Sdn Bhd, the holding company and substantial shareholder of MMB, via a selective capital repayment exercise. The company had received a letter from Gek Poh on the latter's proposal to offer all shareholders – except itself – cash of RM2.30 per share. "Gek Poh does not intend to maintain the listing status of MMB on Bursa Malaysia's main market," it told the exchange yesterday. (Star)

**The Employees Provident Fund** (EPF) recorded a net income of RM19.63bil for the financial year ended Dec 31, 2009, its highest ever, declaring a dividend rate of 5.65% for the period. "In line with the EPF's prudent strategy of ensuring members' savings were well protected for the long term, 72.53% of investments were channelled towards more secure, low-risk fixed income instruments while 27.05% was devoted to higher return equities (with a tolerable level of risk) and the remainder in property," the EPF said in a statement yesterday. (Star)

**Multi-Purpose Holdings Bhd** (MPHB) has signed three memorandums of understanding with Bandar Raya Developments Bhd (BRDB) to develop several pieces of land in Penang and Selangor. The two companies plan to combine their resources and expertise to development land owned by MPHB in Penang, Rawang and Gombak. Entry into the agreements is in line with MPHB's objective to develop its landbank into viable projects. BRDB will be the developer of the proposed projects. (BTimes)

Property developer **LBS Bina Group Bhd** (LBS) will launch its fourth project, worth over RM5 billion, in Zhuhai, China, in the second half of next year. The 60:40 joint venture of LBS and Jiuzhou Group, a Chinese government-linked company, has been delayed by three years because of the uncertain economic conditions. LBS managing director Datuk Lim Hock San said the master plan for the 76ha project comprising high-end residential properties was under way. (BTimes)

**Linear Corp Bhd** (LINEAR) has three weeks to settle debts worth RM2.33 million together with interest of 3.5 per cent per year to RHB Bank Bhd. The company told Bursa Malaysia yesterday that it has been served a notice by the bank's lawyers, failing which a winding-up petition may be filed against it. This amount was derived from a judgment obtained by RHB Bank against the company and its wholly-owned subsidiary LCI Global Sdn Bhd (formerly known as Linear Cooling Industries Sdn Bhd) where the subsidiary had defaulted in its unsecured banking facilities. (BTimes)