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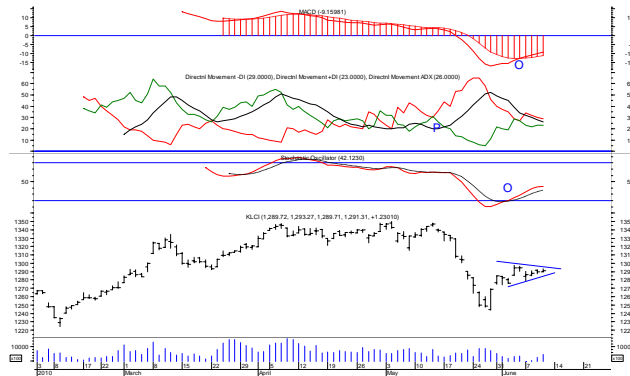
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MARKET FLASH

FBM KLCI

Fri, 11 Jun 2010



MARKET STATISTICS (10/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,291.31	+ 1.23
FBM 100	8,468.87	+ 5.72
FBM ACE	3,770.82	- 11.88
Volume (m)	733.2	
Value (RMm)	743.0	
Up	261	
Down	280	
Unchanged	290	

FOREIGN

Nikkei	9,542.65	+ 103.52
Hang Seng	19,632.70	+ 11.46
STI	2,779.58	+ 33.78
Shanghai CI	2,562.58	- 21.29

BURSA MOVERS

Gainers	Close	Chg
UtdPlant	14.20	+ 0.20
BAT	44.00	+ 0.18
TRC	1.18	+ 0.16
SHL	1.25	+ 0.15
PBbank-01	11.68	+ 0.14
Losers	Close	Chg
DFZ	3.68	- 0.27
Tahps	3.51	- 0.19
Kluang	2.15	- 0.10
KStar	2.03	- 0.09
MPI	6.20	- 0.08
Actives	Close	Chg
Talam	0.14	=
Kenmark	0.195	+ 0.05
MYEG	0.665	+ 0.10
Affin-wc	0.02	=
Air Asia	1.31	- 0.02

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,293.27 level.

Market Buying Strength :

About **72%** of total market volume on 10/6/2010 was on buying side compared to **31%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **liquidating** a portion of stock positions on 10/6/2010.

Pivot Point Studies for Intra-Day :

For Friday (**11/6/2010**), 1st resistance @ **1,291.4** & 2nd resistance @ **1,294.9** ; 1st support @ **1,289.5** & 2nd support @ **1,287.8**.

To read more

Technical Analysis – Daily FBM KLCI

	10/6/2010	9/6/2010	
Open	1,289.72	1,291.81	
High	1,293.27	1,292.38	
Low	1,289.71	1,287.66	
Close	1,291.31	1,290.08	
Volume	733.2 m	629.8 m	
Market Breadth			
Up	261	344	
Down	280	266	
Unchanged	290	260	
Indicators			
MACD	buy	buy	
DM Index	sell	sell	
Stochastics	buy	buy	

Looking for catalyst to break

Market Commentary :

Fears of Gulf oil spill will threaten BP's dividend and possibility of landing the company in bankruptcy court, DJIA had on 9/6/2010 lost 40.73 points to close at 9,899.25.

The double-digit fall in Wall Street did not send a negative signal to Bursa Malaysia in the opening bell on 10/6/2010. FBM KLCI only traded to a day low of **1,289.71** as traders were seen reluctant to play on selling side. In the absence of stronger selling pressure, light renewed buying support rolled in, this lifted stock index higher to a day high of **1,293.27** before settled at **1,291.31**.

The single-digit **rise** of **1.23** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **CIMB** (up RM0.02), **IOI Corp** (up RM0.02), **Genting** (up RM0.06), **Parkson** (up RM0.04) and **RHB Cap** (up RM0.05).

What was the chart saying

Market continued to keep its low above 1,280 level (10/6/2010) after the marginal up close in the preceding day (9/6/2010). And, it was no surprise to see little follow thru buying pressure on 10/6/2010, because the higher high on 9/6/2010 would usually provide a visible indicator for traders to buy the next trading day. Again, there was no good sign of aggressive supportive buying interest in the higher market on 10/6/2010. **Was this an indication of a change in game play from buying yesterday to selling today (11/6/2010) ?** The market scenario we observed in the last 3 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 10/6/2010.

Why did the market trade higher on 10/6/2010 ? It was believed to be the willingness of risk taking to establish buying positions on the part of some traders in anticipation of something friendly to happen even though they may have found themselves a little unsure of market direction on 4/6/2010 & 7/6/2010. In fact, the fall to a day low of 1,278.89 on 7/6/2010 was viewed a technical

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pullback of stock index after making the 50% retracement move at 1,296 level measuring on 2/6/2010 from high of 1,349 to low of 1,243 on 3/6/2010.

Ladies & gentlemen, we had said in our market report dated 1/6/2010 that " ... **How far can this minor rally go ?** The upside violation of 1,280 level on 31/5/2010 was certainly a positive thing to happen, and the market was believed to be gearing up towards 1,295 - 1,300 level."

Again, on 2/6/2010, we continued to say that "With market traded downward on 1/6/2010, can the market go up again ? In fact, the market was expected to find resistance in area of 1,280 level before moving higher on 31/5/2010; but, somehow there was "additional" risk-taking buying interest on 31/5/2010. *The rise of 42 points represented about 40% retracement from high of 1,349 to 1,243; thus, this market could still make attempt(s) to test 1,296 level for a 50% retracement calculation.* (FYI, market rose to a day high of 1,297.75 on 3/6/2010).

Market had come up this high (1,297.75 on 3/6/2010) it may seem an easy meat for stock index to cross over 1,300 level as the gap between 1,300 and the day high of 1,297.75 was merely 2.25 points. **But**, we must remember that 1,300 level has been a psychological hurdle all this while in the eyes of traders and investors. Furthermore, the phenomenon of downside breakout of 1,300 level on 21/5/2010 with lower low bar on 21/5/2010, and the unfilled downside gap left behind on 21/5/2010 would continue to haunt traders' mind.

With the upside gap created on 3/6/2010 filled on 7/6/2010, what would likely happen to the market now ? A sideways market should be shaping up while waiting for next breakout with resistance pegged at 1,300 and support 1,270.

What were the strong hands doing

A check of internal market strength on 10/6/2010 showed that buying strength *weakened* with strong hand(s) seen *disposing a portion of buying positions*, the number of stock positions liquidated on *10/6/2010* added overall selling pressure that took place on 4/6/2010 and 7/6/2010 to *39%* from an improved reading of *31%* in the preceding trading day (9/6/2010).

Conclusion :

The *short and medium term* market outlook remained weak.

The analysis of overall daily market action(s) on 10/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,293.27.

Today's Hot Pick – HSL

	10/6/2010	9/6/2010
Open	1.46	1.41
High	1.52	1.44
Low	1.45	1.40
Close	1.50	1.435
Volume	15,063	5,297
Indicators	10/6/2010	9/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

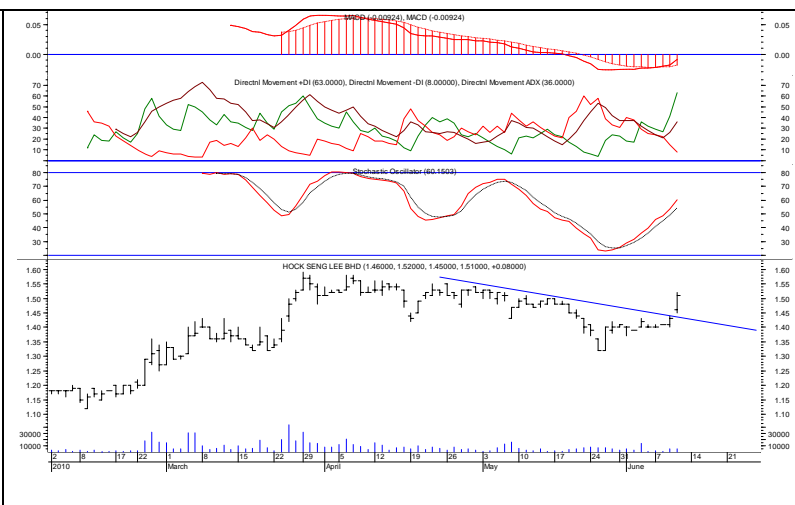


Chart wise : *In position to go higher*

HSL (6238 - MainBoard) had on 10/6/2010 gapped up to cross over the downward sloping trend line extended from day high of RM1.54 (30/4/2010) to connect the other high of RM1.50 (17/5/2010) with a day high of **RM1.52** before settled at **RM1.50**.

Next Potential Upside Target : With the cross over of the downward sloping trend line, **HSL** would thus be likely to trade upward with next immediate upside target at **RM1.57**.

Entry Level : Risk taking traders may establish buying position at **RM1.47** as a pull back is seen likely before the stock makes new attempt(s) to go higher.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM1.42** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – BJ Corp

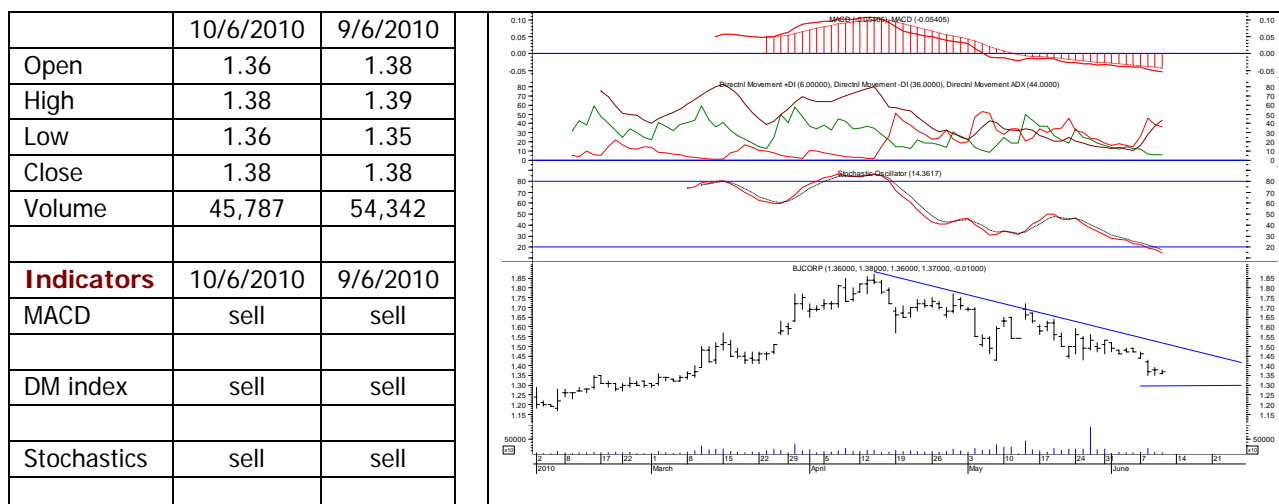


Chart wise : *Downtrend with support at RM1.30.....*

Having stayed above the low of the sell off (8/6/2010) on 9/6/2010, **BJ Corp (3395 - MainBoard)** had on 10/6/2010 traded within previous day's range before settled at day high of **RM1.38**.

Price Direction

In view of a decrease in market participation, the stock could be expected to trade **sideways** in coming day(s) with an overhead resistance pegged at **RM1.50** and support at **RM1.30**.

What to watch for

A turnaround of prices to close **above RM1.50** level would see an immediate short term reversing direction in the stock; however, a failure to protect its fort at RM1.30 would see next support at RM1.15.

Active Stock Review – Titan Chemicals Bhd



Chart wise

Trading buy.

Titan Chemicals Corporation Bhd (5103-Main Market-Industrial Products)

Titan is displaying early signs of a resistance breakout. The previous overhead resistance of RM1.30 is now its support level. Indicative of its upwards potential, the daily indicators are also rising in tandem. Naturally, the stochastic indicator is a bit overbought at the moment, suggesting some minor consolidation or pullback.

However, the overall bullish technical stance outweighs the short-term overbought position. It had also broken through its 50-day moving averages and we recommend a trading buy on Titan.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil futures contract market ended lower on Bursa Malaysia Derivatives yesterday despite encouraging export data released by the Malaysian Palm Oil Board. Dealers said continuing concerns over the eurozone debt crisis weighed heavily on market sentiment as Malaysia's palm oil trade depended on crude oil and the global market scenario. Malaysia palm oil board reported that palm oil exports increased 5.96 per cent to 1.362 million tonnes in May while palm kernel oil exports rose 28.11 per cent to 112,472 tonnes. June declined RM12 to RM2,524 a tonne, July fell RM24 to RM2,454 a tonne, August eased RM14 to RM2,418 a tonne and September 2010 dipped RM12 to RM2,395 a tonne. (BTimes)

The ringgit closed higher against the US dollar at 3.3000/3050 in late trade yesterday as against Wednesday's close of 3.3170/3200, dealers said. The ringgit was mostly supported by Asian currencies after China reported a strong 48.5 per cent increase in its exports in May 2010, boosting confidence that the global economy could withstand the Europe's sovereign debt crisis. Against other major currencies, the ringgit traded mixed at close. (BTimes)

The trade deficit in the U.S. widened in April to the highest in more than a year as exports and imports both declined. The gap grew 0.6 percent to \$40.3 billion, the most since December 2008, Commerce Department figures showed today in Washington. A separate report showed more Americans than anticipated filed claims for jobless benefits last week. Overseas shipments remained at the second-highest level since October 2008 even after a decline that reflected lower sales of pharmaceuticals, soybeans and generators. Economic growth in Asia may fuel sales at companies including 3M Co., helping cushion the blow from the European debt crisis and a stronger dollar. (Bloomberg)

Jean-Claude Trichet said the **European Central Bank** will extend its offerings of unlimited cash and keep buying government bonds as it tries to ease tensions in money markets and fight the European debt crisis. "It's appropriate to continue to do what we've decided" on purchases of sovereign and corporate bonds, Trichet, who heads the ECB, said at a press conference in Frankfurt today. Earlier, the central bank kept its benchmark interest rate at 1 percent. "We have a money market which is not functioning perfectly." (Bloomberg)

Asia's economies signaled they are best placed to weather Europe's debt crisis this week as data from China's exports to job growth in South Korea and Australia surpassed analysts' forecasts. Regional stocks rose yesterday after a report showed Chinese shipments abroad climbed 48.5 percent in May from a year earlier, more than the 32 percent median forecast in a Bloomberg survey, and separate figures showed a jump in property prices. Unemployment rates in South Korea and Australia fell last month, according to government figures, and Japan reported its economy expanded more than previously estimated in the first quarter. (Bloomberg)

Oil prices topped US\$75 a barrel Thursday following reports that China's economy is still booming and U.S. jobless claims fell. Benchmark crude for July delivery rose \$1.10 to settle at \$75.48 a barrel on the New York Mercantile Exchange. China reported exports and imports rose more than 48 percent each in May, reassuring investors that the country's economy was not being slowed significantly by Europe's debt problems. The U.S. Labor Department said jobless claims fell to 456,000 last week. (Star)

The country's **industrial production index** (IPI) surged 10.1% in April from a year ago as manufacturing activities picked up, according to the Statistics Department. However, the IPI – a measure of manufacturing, mining and electricity output – fell 4.2% from March while the cumulative index for the first four months rose 10.8% from the same period a year earlier. In a statement, the department said the year-on-year increase in April 2010 was due to increases in all indices, namely manufacturing (14.3%), mining (0.8%) and electricity (12.1%). (Star)

The euro traded near its strongest since June 4, set for its first weekly advance in three, as speculation Europe's fiscal debt crisis is unlikely to derail global growth fueled investor appetite for riskier assets. The yen headed for a weekly loss against 12 of its 16 most-traded counterparts before a report economists say will show the European crisis has had little effect on U.S. consumer confidence. New Zealand's dollar was little changed after yesterday rising by the most in two weeks versus the greenback after its central bank raised interest rates. China, the South Pacific nation's second-biggest export market, is forecast to say May retail sales and industrial output climbed. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10172.53	273.28	2.76	Nasdaq CI	2218.84	59.86	2.77
S&P 500	1086.84	31.15	2.95	FTSE 100	5132.50	46.64	0.92

Global and Local Headlines

U.S. stocks rallied, with the Standard & Poor's 500 Index gaining the most in two weeks, as reports from China, Japan and Australia boosted optimism about the global economy. Caterpillar Inc., the world's largest maker of construction equipment, rose 5.5 percent and Alcoa Inc., the biggest U.S. aluminum producer, climbed 4.2 percent. BP Plc's U.S. shares jumped 12 percent, the most since October 2008, as JPMorgan Chase & Co. said the rout in the stock has overshoot the potential damage from the Gulf of Mexico oil spill. Goldman Sachs Group Inc. fell to the lowest in more than a year on reports of a new regulatory probe. (Bloomberg)

Japanese and Australian stock futures gained after the European Central Bank raised its growth forecast for this year and said it will continue buying bonds to ease the region's debt crisis. American depository receipts of Mitsubishi UFJ Financial Group Inc., Japan's largest bank by market value, rose 2.1 percent from the closing share price in Tokyo. Those of Komatsu Ltd., the world's second-biggest maker of earth movers, jumped 3.2 percent. Those of Sony Corp., an electronics maker that gets 71 percent of its sales outside Japan, advanced 2.1 percent. ADRs of BHP Billiton Ltd., the world's biggest mining company, gained 2.7 percent after commodity prices rose. (Bloomberg)

The Bank of Japan is set to detail a plan to stimulate credit for private companies that may prove insufficient to spur economic growth and defeat deflation. The program is unlikely to exceed a few trillion yen (tens of billions of U.S. dollars) two people familiar with the matter said on condition of anonymity because the talks are private. The facility would do little to stoke domestic demand, said former BOJ board member Teizo Taya, adding that the effort is mainly aimed at fending off calls for broader monetary easing. (Bloomberg)

MK Land Holdings Bhd (MKLAND) has decided not to pursue the proposed rights issue of equity linked instruments as announced on Jan 14, it said in a filing with Bursa Malaysia. It had earlier said it would raise gross proceeds of at least RM150mil via the rights issue to partly repay bank borrowings and for working capital. (Star)

The takeover by **London Biscuits Bhd** (LONBISC) for poultry firm TPC Plus Bhd has failed. In a filing with Bursa Malaysia, TA Securities said as at the close of the offer at 5pm yesterday, Lonbisco did not receive enough voting shares of TPC; hence the offer had lapsed. At the close of the offer, the offeror held 48.03% or 38.42 million shares in TPC. (Star)

Speculation is rife that **Boustead Holdings Bhd** (BSTEASD) is acquiring Pharmaniaga Bhd following the suspension of trading in the two companies' shares yesterday, pending a material announcement. However, it is not immediately known if Boustead is acquiring part or the whole of UEM Group Bhd's 87% stake in Pharmaniaga. Trading in Boustead and Pharmaniaga shares was suspended from 4.56pm yesterday. (Star)

Petra Perdana (PETRA), which is embroiled in a tussle for control, said Bursa Malaysia has asked it to submit a list of names for the placement of 10% of its shares. Bursa also stipulated that the exercise will need to be approved by shareholders at Petra Perdana's AGM on June 28. Furthermore, the placement should only be made to institutional shareholders. Petra Perdana intends to raise up to RM109.7mil from the proposed 10% private placement, followed by a renounceable rights issue with free warrants. (Star)

2 major rivals in the cellular phone network business, Celcom Axiata Bhd (Celcom) **and DiGi Telecommunications Sdn Bhd** (DIGI), are teaming up for the first time for a network and infrastructure collaboration locally. Both operators and their major shareholders, Axiata Group Bhd and Telenor Asia Pte Ltd, signed a memorandum of understanding (MOU) yesterday for an active sharing of network and infrastructure. The three key collaborative areas will include operations and maintenance, transmission and site sharing, and radio access network. (BTimes)