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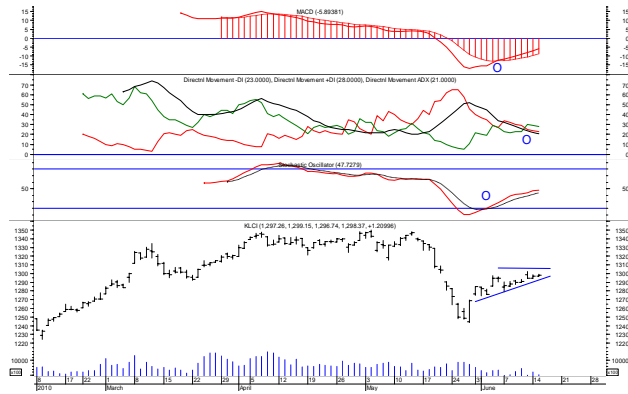
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MARKET FLASH

FBM KLCI

Wed, 16 Jun 2010



MARKET STATISTICS (15/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,298.37	+ 1.21
FBM 100	8,526.49	+ 6.27
FBM ACE	3,819.19	- 16.56
Volume (m)	511.8	
Value (RMm)	891.3	
Up	296	
Down	291	
Unchanged	270	

FOREIGN

Nikkei	9,887.89	8.04
Hang Seng	20,062.15	+ 10.24
STI	2,818.21	+ 0.14
Shanghai CI	n/a	n/a

BURSA MOVERS

Gainers	Close	Chg
UMcca	8.47	+ 0.55
YeeLee	3.05	+ 0.29
KSeng	5.29	+ 0.28
Segi	3.47	+ 0.24
Biport	6.40	+ 0.16
Losers	Close	Chg
Nestle	34.30	- 0.20
Malpac	1.17	- 0.15
Mycron	0.545	- 0.135
Keuro	0.65	- 0.12
UAC	3.25	- 0.11
Actives	Close	Chg
Talam	0.125	- 0.005
Kenmark	0.11	- 0.02
Affin-wc	0.01	- 0.005
Keuro	0.65	- 0.12
Aim	0.14	- 0.02

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,299.15 level.

Market Buying Strength :

About **73%** of total market volume on 15/6/2010 was on buying side compared to **77%** in the preceding trading day.

"Movement" in Strong Hands :

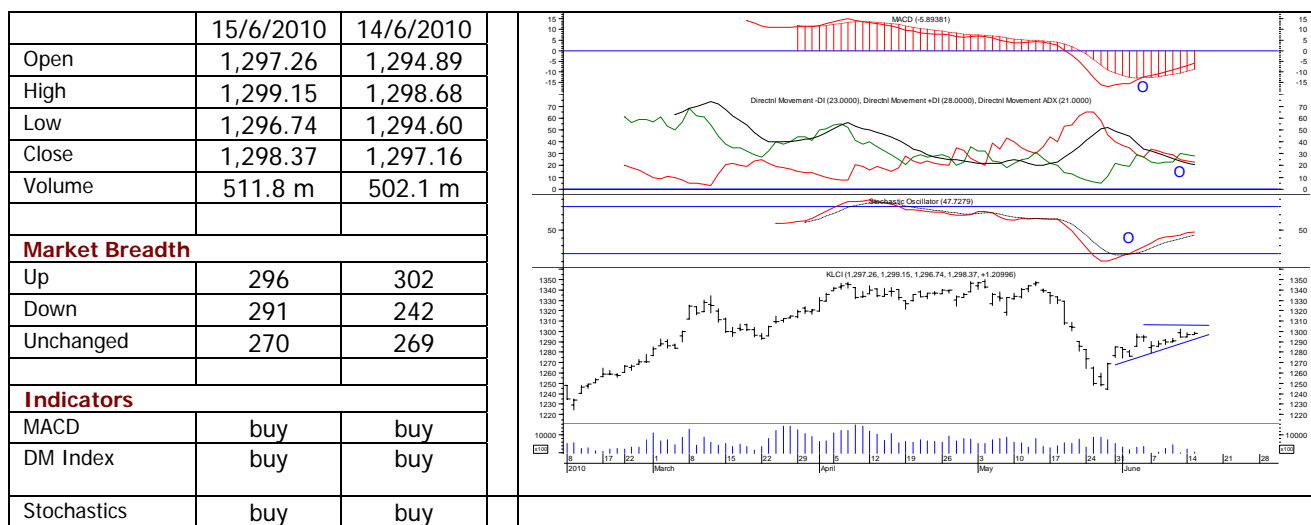
Strong hands were seen **liquidating** a portion of stock positions on 15/6/2010.

Pivot Point Studies for Intra-Day :

For Wednesday (**16/6/2010**), 1st resistance @ **1,299.4** & 2nd resistance @ **1,300.5** ; 1st support @ **1,297.0** & 2nd support @ **1,295.6**.

To read more

Technical Analysis – Daily FBM KLCI



Waiting for a catalyst to trigger.....

Market Commentary :

Concerns over Europe’s government spending cut would hurt its economies and financial haul in USA, DJIA had on 14/6/2010 lost 20.11 points to close at 10,190.89.

The double-digit drop in Wall Street did not send negative signal to Bursa Malaysia in the opening bell on 15/6/2010 with FBM KLCI only traded to a day low of **1,296.74** as traders were seen reluctant to play an aggressive selling game. In the absence of stronger selling pressure in area of **1,296.74**, renewed buying support rolled in, this lifted stock index higher to a day high of **1,299.15** before settled at **1,298.37**.

The single-digit **rise** of **1.21** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Maybank** (up RM0.01), **Genm** (up RM0.01), **Genting** (up RM0.11), **TM** (up RM0.02) and **Public Bank** (up RM0.04).

What was the chart saying

Having failed to stay in 1,300 zone last Friday (11/6/2010), market could not find the strength to climb back up above 1,300 level again on 15/6/2010 as there seemed to have no good reason for traders to prop up the stock index at this moment. Thus, it was no surprise to see non-follow thru aggressive buying pressure yesterday given the visible weak market volume on 14/6/2010.

Was this an indication of a change in game play from buying yesterday to selling today (16/6/2010) ? The overall market scenario we observed in the last 6 days basically implied that many traders had chosen to stay sidelines with profit taking activity on winning trades seen capping the market advance on 15/6/2010.

Why didn't the market trade higher on 15/6/2010 ? Stock trading has a lot to do with confidence without confidence of seeing a potential market rise, any attempt(s) to push market into higher ground would eventually be proven futile even though the fall to a day low of 1,278.89 on 7/6/2010 was viewed a technical pullback by some traders to trade upside 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.

Can market cross over 1,300 hurdle again ? What we saw on chart now was higher highs and higher lows since 31/5/2010 (except 14/6/2010 & 15/6/2010) was considered a friendly market development. Thus, market could still make more attempts to break into 1,300 level again While these market changes are linked up into inter-locking trend structure of various waves of market movement; but, traders must be convinced of greater market participation before parting their monies into stock market.

Ladies & gentlemen, we had said in our market report dated 2/6/2010 that **".... 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).

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 15/6/2010 showed that buying strength *weakened* with strong hand(s) seen *disposing a small portion of buying positions,* the number of stock positions *liquidated* on *15/6/2010* added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to *39%* from *38%* in the preceding trading day (14/6/2010).

Conclusion :

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

The analysis of overall daily market action(s) on 15/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,299.15.

Today's Hot Pick – **Spritzr**

	15/6/2010	14/6/2010
Open	0.925	0.89
High	0.98	0.89
Low	0.92	0.89
Close	0.975	0.89
Volume	8,974	220
Indicators	15/6/2010	14/6/2010
MACD	sell	sell
DM index	buy	sell
Stochastics	buy	buy

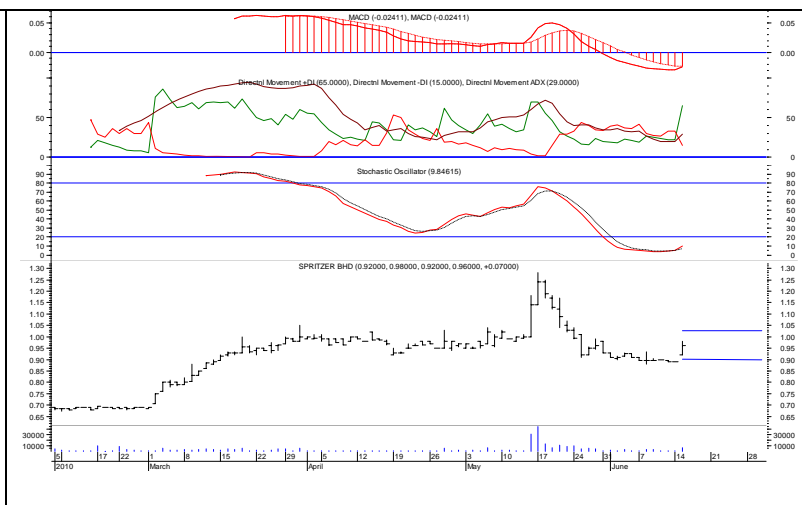


Chart wise : *Gapped up with immediate resistance seen at RM1.03.....*

Spritzr (7103-MainBoard) had on 15/6/2010 gapped up to cross over RM0.935 hurdle with a day high of **RM0.98** before settled at **RM0.975**.

Next Potential Upside Target : With the upside violation of **RM0.935 level**, **Spritzr** would thus be likely to trade upward with next upside target at **RM1.03**.

Entry Level : Risk taking traders may establish buying position at **RM0.94 level** as a small pull back is seen likely.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM0.89 level** must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – KPJ Healthcare

	15/6/2010	14/6/2010
Open	3.25	3.16
High	3.33	3.25
Low	3.23	3.16
Close	3.30	3.22
Volume	14,850	19,241
Indicators	15/6/2010	14/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell

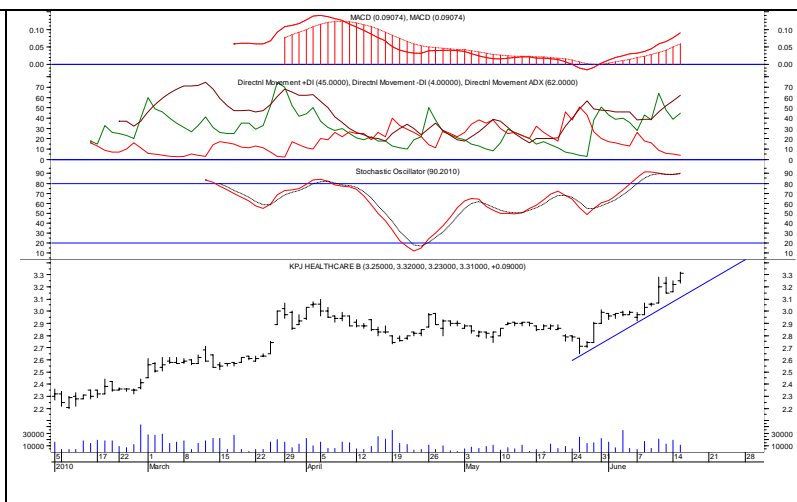


Chart wise : Record high

KPJ Healthcare (5878-MainBoard) had on 15/6/2010 crossed over the immediate high of RM3.28 (11/6/2010) to reach record high of RM3.33 before settled at RM3.30.

Price Direction

In view of a decrease in market participation, the stock could be expected to trade sideways with upside bias in coming day(s) with an overhead resistance pegged at RM3.45 and support at RM3.15.

What to watch for

A turnaround of prices to close below RM2.90 level would see an immediate short term reversing direction in the stock.

Active Stock Review – MUI IND



Chart wise

Trading buy.

Malayan United Industries Bhd (3891-Main Market-Trading/Services)

We are calling a trading buy on MUI Ind's as the share recovery last week was swift. The candles have tested the upper line of the flag formation before turning uncertain again. Its fast indicators are also exhibiting a neutral bias as a result, while the slower MACD is still inching up.

For now, the candles look to remain inside the flag formation and this is an opportunity to lock in profits first for those wishing to do so, otherwise the stock is still worthwhile holding for now. The support is at RM0.155. The resistance meanwhile is at RM0.18.

MAJOR NEWS

Commodity, Currency and Economic News

Manufacturing is leading the U.S. economic rebound, helping protect the recovery from a slowdown in housing following the expiration of a government tax credit, reports today indicated. Factories in the region covered by Federal Reserve Bank of New York grew at a faster pace in June, signalling they are weathering the turmoil caused by the European debt crisis, according to the bank's so-called Empire State index. Builder confidence fell this month, while global demand for U.S. financial assets in April exceeded forecasts, other reports showed. (Bloomberg)

The European Union told Spain and Portugal their governments must spell out the budget-cutting measures they plan to implement to reach their "ambitious" deficit targets for next year. "The targets are appropriately ambitious and imply substantial fiscal consolidation," the EU said in a report released today in Brussels. "Spain and Portugal are expected to specify measures in their 2011 budgets amounting to 1.75 percent and 1.5 percent of GDP, respectively, in order to attain the new targets." (Bloomberg)

Prices on the **crude palm oil futures** contract market ended lower on Bursa Malaysia Derivatives yesterday amid renewed concern over the eurozone debt crisis, dealers said. The June 2010 contract dropped RM1 to RM2,548 per tonne while July 2010 fell RM16 to RM2,439 per tonne, August 2010 went down RM19 to RM2,391 per tonne and September 2010 declined RM18 to RM2,366 per tonne. Turnover was higher at 15,455 lots compared to 11,103 lots Monday while open interest declined to 77,731 contracts from 78,541 contracts previously. (BTimes)

The ringgit closed lower against the US dollar yesterday in tandem with movements in regional currencies and the Euro, dealers said. The local unit closed at 3.2690/2730 against the greenback versus Monday's 3.2600/2630. A dealer said the direction of the local unit and other regional currencies were influenced by developments in the Euro zone as players continued to seek fresh direction amid the fragile sentiment. Against other major currencies, the ringgit traded lower. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10404.77	213.88	2.10	Nasdaq CI	2305.88	61.92	2.76
S&P 500	115.23	25.60	2.35	FTSE 100	5217.82	15.69	0.30

Global and Local Headlines

U.S. stocks rallied, with the Standard & Poor's 500 Index erasing its loss for the year, after reports showed New York-area manufacturing expanded for an 11th month and prices of imported goods declined. Micron Technology Inc. and Teradyne Inc. rallied at least 8.6 percent after Taiwan Semiconductor Manufacturing Co. boosted its market forecast. Boeing Co. rose 4.1 percent after announcing plans to boost production of its best-selling 737 jet. Caterpillar Inc. gained 4 percent after reaffirming its earnings guidance for 2010. CBOE Holdings Inc. rallied 12 percent on the first day of trading as a public company. (Bloomberg)

Japanese and Australian stock futures rose as growth in New York manufacturing stoked expectations a recovery in the global economy will boost corporate earnings. American depositary receipts of Nissan Motor Co., which counts North America as its biggest market, finished 3.4 percent higher than the Tokyo close. Those of Advantest Corp., the world's largest maker of memory-chip testers, gained 3.6 percent following a surge in the Philadelphia Semiconductor Index. ADRs of BHP Billiton Ltd., the world's biggest mining company, climbed 2.3 percent after commodity prices advanced. (Bloomberg)

Maxis Bhd (MAXIS), Malaysia's biggest mobile-phone operator, may raise as much as 4.5 billion ringgit (US\$1.4 billion) through bonds and bank credit to expand and repay debt, Chief Financial Officer Rossana Rashidi said. The company controlled by billionaire T. Ananda Krishnan raised 11.2 billion ringgit in Southeast Asia's biggest public offering in November, with all the proceeds going to its parent. It now needs funds for expansion with plans to spend 1.4 billion ringgit this year to enlarge its broadband internet network to meet rising demand, the company said in a statement yesterday. "We have been talking to our bankers. At this stage, the company is preparing to potentially tap longer-term debt in both the bank credit market as well as the bond market," Rossana said in an interview yesterday. Maxis, based in Kuala Lumpur, hopes to raise the funds within the next three to six months, Rossana said, adding that it has yet to decide on the structure. The company will use 2.5 billion ringgit of the proceeds to repay a bridging loan and the rest for capital expenditure, she said. (Bloomberg)

India proposes to impose a capital gains tax on all stock transactions by Indians and overseas funds as part of changes in tax laws that are aimed at boosting revenue to pare the budget shortfall from a 16-year high. The new proposals include a move to tax investments in stocks and equity-linked mutual funds at the applicable tax rates for income, according to a document posted on the Finance Ministry's website yesterday. The so-called direct tax code also proposes to allow a deduction at a specified percentage for investments held for more than one year. (Bloomberg)

Sunway City Bhd (SunCity) and Sunway REIT Management Sdn Bhd have launched the initial public offering (IPO) of 1.65 billion units in **Sunway Real Estate Investment Trust** (Sunway REIT). Sunway REIT, which has an approved fund size of 2.78 billion units, will become Malaysia's largest listed REIT when it lists on the Main Market of Bursa Malaysia in July. Sunway REIT Management is the manager for Sunway REIT. Eight properties, with an appraised value of RM3.7bil, would be injected into the REIT. They are Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel and Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya and office properties. (Star)

Naim Holdings Bhd (NAIM) plans to increase its stake, currently at 36%, in associate oil and gas firm, Dayang Enterprise Holdings Bhd, said Naim managing director Datuk Hasmi Hasan. However, he declined to reveal how much more Naim intended to add to its equity stake in Dayang Enterprise. Under the law, Naim can only purchase Dayang shares up to 4% in a year. "Naim now holds about 126 million shares in Dayang worth more than RM240mil at the current price of RM1.90 per share against its investment cost of RM108mil," Hasmi told StarBiz after Naim's AGM here yesterday. (Star)

AEON Credit Service (M) Bhd's (AEONCR) net profit grew by 8.2% to RM13.2mil in the first quarter ended May 20 from a year earlier due to continuing growth of easy payment business for financing of consumer durables and motorcycles. This, together with the growth in trade receivables, had also supported the increase in revenue for the quarter under review to RM53mil against RM51.5mil last year, the company said in its notes accompanying its financial results. "Revenue from the credit card operations and personal financing schemes were maintained at almost similar level as in the previous year," AEON said, adding that growth was expected to be sustained with the economy registering 10.1% in the first quarter of 2010, led by continued expansion in domestic demand and stronger external demand. (Star)

The exit of Datuk Ishak Ismail adds more confusion to the already mysterious **Kenmark Industrial Co (M) Bhd** (KENMARK), the share price of which took another beating in yesterday's trading, falling 15% to 11 sen. No controlling shareholder has emerged so far after Ishak sold out on June 9, even though the trading volume in the past few days has been high. Yesterday, 38 million shares changed hands. Despite that the four directors entrusted to revive the operations are saying they are working around the clock to resolve issues and restart operations, it is not likely any time soon. Ishak, when asked about his change of heart after he was so gusto about the prospects of Kenmark when he bought into the company, said: "James was supposed to return and manage the company; that was our initial agreement and it was on that basis that I bought into the company. Obviously things have changed. "I have tried persuading James to return up to last week but he does not seem keen. He has not kept to his word and I cannot hang around if he cannot fulfil his promise." (Star)

The National Water Services Commission has received several requests from state governments to raise water tariffs, said Energy, Green Technology and Water Minister Datuk Seri Peter Chin Fah Kui. However, he declined to name the states. "I'll be forwarding their requests for Cabinet consideration at an appropriate time," he told Business Times in an interview in Kuala Lumpur yesterday. He concurred that water tariffs are too low considering the scarcity of new water catchments and costly treatment to produce safe drinking water. (BTimes)

IJM Corp Bhd (IJM) said its unit IJM Construction Sdn Bhd has won a RM349.98 million contract from Jambatan Kedua Sdn Bhd to build part of the second Penang bridge. Package 3B involves building a new dual 2-lane carriageway of 5.7 km with a cloverleaf interchange and four bridges, IJM said in a statement to Bursa Malaysia. Construction will start from June 28 2010 and work will take 31 months. (BTimes)

Bursa Malaysia is investigating **Linear Corp Bhd** (LINEAR) for possible breaches of listing requirements, the stock market regulator said yesterday. In a statement to Business Times, Bursa Malaysia said that it will not hesitate to take the necessary actions against the company and the culpable directors if they find something amiss. Linear shares have slumped to a six-month low yesterday to close at 22.5 sen, reeling from the after effects of the company's cash being passed to a company in Seychelles. Two weeks ago, Linear told the stock exchange that a company director had paid out almost all of its cash to a Seychelles company. (BTimes)

PLUS Expressways Bhd (PLUS) has bought 100 per cent of Teras Teknologi Sdn Bhd, a toll systems and equipment provider, from UEM Group Bhd for RM44 million. The deal fits with PLUS' plan to expand locally and abroad. It will also help broaden its earnings base. Teras is the company that introduced the Toll Revenues and Collection System, the contactless smart card system known as Touch 'n Go and the non-stop vehicle on-board unit known as SmartTAG. (BTimes)