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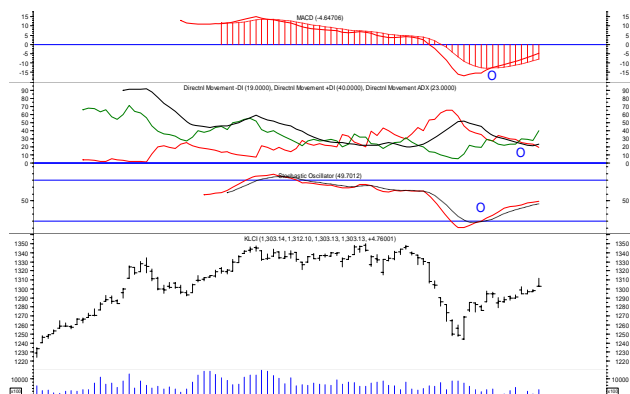
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MARKET FLASH

FBM KLCI

Thurs, 17 Jun 2010



MARKET STATISTICS (16/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,312.10	+ 4.76
FBM 100	8,563.46	+ 41.07
FBM ACE	3,815.81	+ 17.93
Volume (m)	662.8	
Value (RMm)	1,012.0	
Up	494	
Down	174	
Unchanged	240	

FOREIGN

Nikkei	10,067.15	+ 179.26
Hang Seng	20,062.15	+ 10.24
STI	2,846.94	+ 28.73
Shanghai CI	2,569.94	+ 7.36

BURSA MOVERS

	Close	Chg
Gainers		
CCB	5.45	+ 0.29
Minho	0.535	+ 0.275
KKB	1.70	+ 0.26
Magni	1.19	+ 0.21
Nestle	34.50	+ 0.20
Losers		
BAT	43.84	- 0.26
Century-wb	0.53	- 0.215
PLB	0.875	- 0.175
Biport	6.24	- 0.16
LPI	15.16	- 0.16
Actives		
Talam	0.125	=
Aim	0.145	+ 0.005
Kenmark	0.10	- 0.001
KNM	0.50	+ 0.01
SAAG	0.085	=

Today's Market Direction :

FBM KLCI would likely to trade **lower** than **1,303.13**.

Market Buying Strength :

About **49%** of total market volume on **16/6/2010** was on buying side compared to **73%** in the preceding trading day.

"Movement" in Strong Hands :

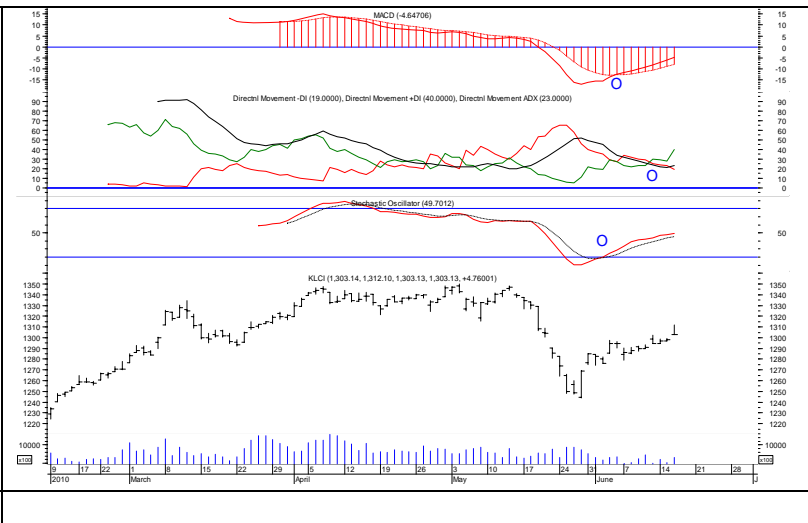
Strong hands were seen **acquiring** a portion of stock positions on **16/6/2010**.

Pivot Point Studies for Intra-Day :

For Thursday (**17/6/2010**), 1st resistance @ **1,309.1** & 2nd resistance @ **1,315.0** ; 1st support @ **1,300.1** & 2nd support @ **1,297.1**.

To read more

Technical Analysis – Daily FBM KLCI

	16/6/2010	15/6/2010	
Open	1,303.14	1,297.26	
High	1,312.10	1,299.15	
Low	1,303.13	1,296.74	
Close	1,303.13	1,298.37	
Volume	662.8 m	511.8 m	
Market Breadth			
Up	494	296	
Down	174	291	
Unchanged	240	270	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

Could not find sustainability

Market Commentary :

Led by an industry forecast of increase demand for computers and report of boosting production Boeing 737 jet by Boeing Co., DJIA had on 15/6/2010 gained 213.88 points to close at 10,404.77.

The triple-digit gain in Wall Street rendered a strong helping hand to Bursa Malaysia in the opening bell on 16/6/2010 with FBM KLCI gapped up to cross into 1,300 zone to reach a day high of **1,312.10** as traders rushed to establish stock positions in anticipation of higher market. However, profit taking activity rolled in, this pushed stock index to go down to 1,303.13 before settled at **day low**.

The single-digit **rise** of **4.76** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.06), **Genm** (up RM0.03), **CIMB** (up RM0.05), **Tenaga Nasional** (up RM0.01) and **Public Bank** (up RM0.06).

What was the chart saying

Having stayed supportive above 1,290 level in the previous 2 trading days (13/6/2010 & 14/6/2010) after the weak close on 11/6/2010, market traded higher than immediate high of 1,302.07 (11/6/2010) with an upside gap yesterday (16/6/2010) on the back of external market gains as traders were prepared to take the chance to buy up the market.

Was this an indication of more buying into today's market (17/6/2010) ? The gapped up scenario on 16/6/2010 was undoubtedly an encouraging sign as it suggested the urgency on the part of traders to establish stock positions. However, the overall market scenario observed in the last 7 days (7/6/2010 – 16/6/2010) basically implied the preferences of many traders to stay sidelines with profit taking activity on winning trades seen capping the market advance on 16/6/2010.

Market trading environment may have still pointed to bearish play; but, the willingness to take a buying risk on 16/6/2010 somehow had helped to change the bearish market picture to a slight friendly environment.

Why did the market trade higher on 16/6/2010 ? Did it mean the return of buying confidence ? 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. Market volume on 16/6/2010 was low, and this indicated a cautious play, this could lead other traders to curtail their expectation for stronger upward move.

Can market stay above 1,300 level ? 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. 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.

With the upside breakaway gap created on 16/6/2010, what would likely happen to the market now ? The upside breakaway from the small platform of 1,275 and 1,302 may have tilted a shift towards upside direction; but, sideways still seen prevail with resistance pegged at 1,305 and support 1,290.

What were the strong hands doing

A check of internal market strength on 16/6/2010 showed that buying strength *improved* with strong hand(s) seen acquiring a small portion of buying positions, the number of stock positions *established* on 16/6/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 33% from 39% in the preceding trading day (15/6/2010).

Conclusion :

The short and medium term market outlook remained weak.

The analysis of overall daily market action(s) on 16/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,303.13.

Today's Hot Pick – Sime Darby

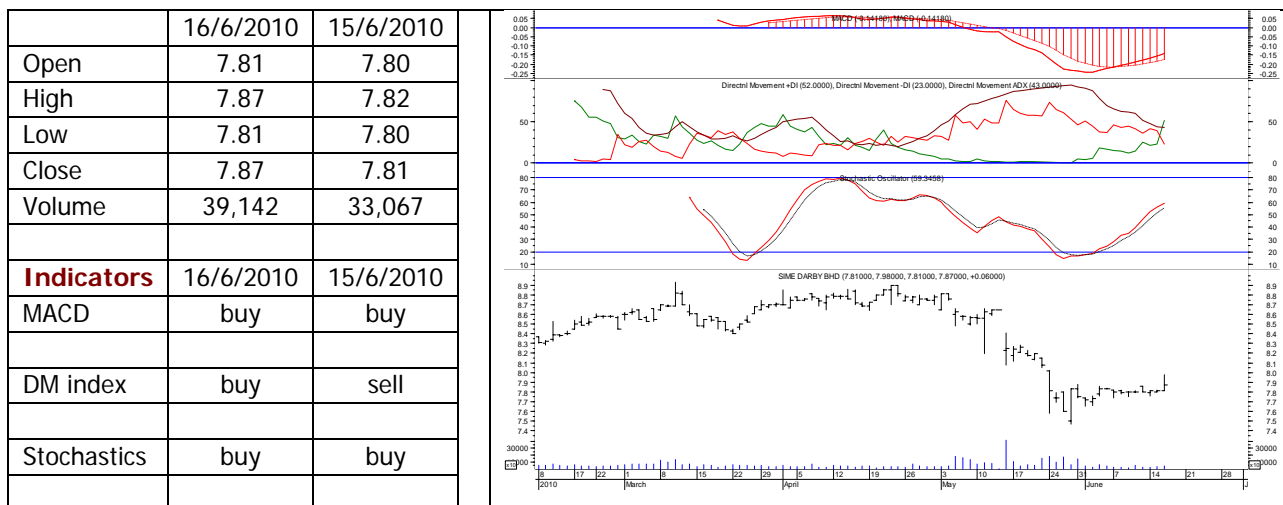


Chart wise : *Resistance expected RM8.10*

Sime Darby (4197 - MainBoard) had on **16/6/2010** crossed over the immediate high of RM7.88 (31/5/2010) to a day high of **RM7.98** before settled at **RM7.87**.

Next Potential Upside Target : An upside violation of **RM7.88 level** again would likely see **Sime Darby** to trade upward with next upside target at **RM8.10**.

Entry Level : Risk taking traders may establish buying position at **RM7.83** as a small pull back is seen likely.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM7.76 level** must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – AEM

	16/6/2010	15/6/2010
Open	0.525	0.52
High	0.56	0.54
Low	0.525	0.515
Close	0.55	0.515
Volume	24,004	16,068
Indicators	16/6/2010	15/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	sell

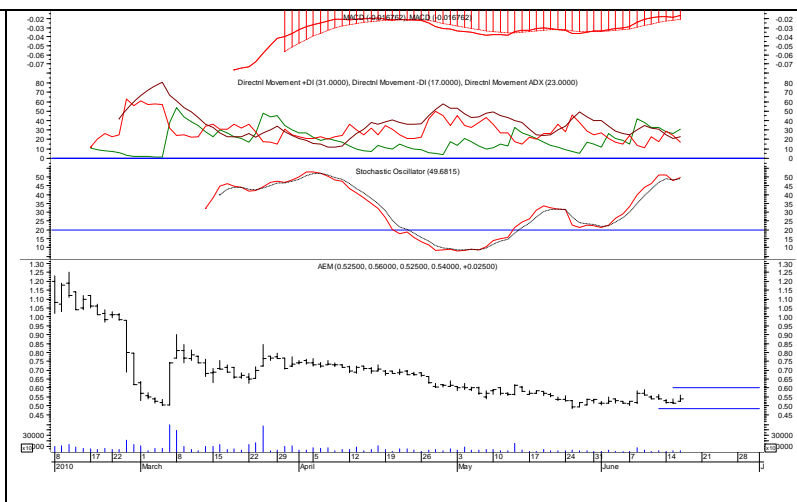


Chart wise : Watch for upside breakout of resistance at RM0.60

AEM (7146 - MainBoard) had on 16/6/2010 traded higher to a day high of RM0.56 before settled at R0.55.

Price Direction

In view of an increase in market participation, the stock could be expected to trade **sideways with upside bias** in coming day(s) with an overhead resistance pegged at RM0.60 and support at RM0.515.

What to watch for

A turnaround of prices to close **above RM0.60** level would see an immediate short term reversing direction in the stock.

Active Stock Review – **BJ Corp Bhd**



Chart wise

Trading buy.

Berjaya Corp Bhd (3395-Main Market-Trading/Services)

BJ Corp's share price has been tracking a flag formation for the past month, but found a temporary bottom at around the RM1.35 early this week. The candles have since rebounded and testing the upper line of the flag formation yesterday. Meanwhile, its core indicators are on the rise again, climbing back above their respective lower limit lines.

The MACD is flattening and collectively, there is hope for the candles to break out of the flag formation convincingly and giving rise to Trading buy opportunities, but failure to clear the line leaves an avoid call. Beyond the upper line, the resistance is at RM1.50. The supports, on the other hand are at RM1.38 and RM1.35.

MAJOR NEWS

Commodity, Currency and Economic News

Indonesia's central bank will reorganize its bill sales to encourage investors to keep their money in Southeast Asia's largest economy for longer, joining regional policy makers in seeking to reduce currency volatility. Investors in Bank Indonesia bills maturing in a month must hold the securities for at least one month, whether they make the purchase in the primary or secondary market, Senior Deputy Governor Darmin Nasution told reporters in Jakarta yesterday. The central bank will also sell longer-term bills and charge lenders more for tapping its funds. (Bloomberg)

Prices on the **crude palm oil futures** contract market ended lower on Bursa Malaysia Derivatives yesterday as traders turned cautious due to weaker export data, dealers said. Yesterday, cargo surveyor Societe Generale de Surveillance announced that palm oil exports for the first 15 days of June fell two per cent to 608,324 tonnes from 620,517 tonnes during the same period last month. At closing of the market, the June 2010 contract declined RM84 to RM2,464 per tonne, July 2010 dropped RM19 to to RM2,420 per tonne and August 2010 went down RM11 to RM2,380 per tonne but September 2010 added RM6 to RM2,372 per tonne. Turnover was higher at 19,375 lots compared to 15,455 lots Tuesday while open interest declined to 76,801 contracts from 77,731 contracts previously. (BTimes)

The ringgit closed higher against the US dollar yesterday on positive US market developments and euro movements, dealers said. At 5pm, the ringgit closed at 3.2590/2620 compared with 3.2690/2730 on Tuesday. Against other major currencies, the ringgit was traded mostly lower. The local unit eased against the Singapore dollar to close at 2.3370/3415 from 2.3363/3417 Tuesday. It, however, rose against the yen at 3.5532/5584 from 3.5809/5868 previously. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10409.46	4.69	0.05	Nasdaq CI	2305.93	0.05	0.00
S&P 500	1114.61	-0.62	-0.06	FTSE 100	5237.92	20.10	0.39

Global and Local Headlines

U.S. stocks fell, Treasuries gained and the dollar strengthened against the euro after reports showed American housing starts declined the most in 14 months and FedEx Corp.'s profit forecast trailed estimates. Oil rose to a six-week high. The Standard & Poor's 500 Index slipped 0.1 percent to 1,114.61 at 4 p.m. in New York as about three stocks slumped for every two that rallied on U.S. exchanges. The measure had fallen as much as 0.7 percent earlier. Yields on 10-year Treasuries lost 4 basis points to 3.26 percent. The U.S. currency climbed 0.2 percent to \$1.2312. Crude oil futures rose 0.9 percent to \$77.67 a barrel. (Bloomberg)

President Barack Obama said **BP Plc** will put US\$20 billion over four years into an oil spill compensation fund that will be independently administered by lawyer Kenneth Feinberg. The fund won't cap BP's liability for cleanup costs and economic damage, Obama said after he and some of his top advisers met with BP executives at the White House, and it won't supersede the rights of individuals or states to sue the company. The company also will contribute \$100 million to a fund to help support unemployed oil rig workers. (Bloomberg)

Japanese and Australian stock futures were little changed after the Standard & Poor's 500 Index in the U.S. dipped less than 0.1 percent with FedEx Corp. projecting lower-than-estimated earnings. American depositary receipts of Sony Corp., an electronics maker that gets 21 percent of its sales in the U.S., finished 1.9 percent down from the Tokyo close. Those of NTT DoCoMo Inc., whose dividend yield is near its highest level since March 2008, advanced 0.5 percent. ADRs of BHP Billiton Ltd., the world's biggest mining company, slipped 0.4 percent in Sydney after prices of metals and oil dropped. (Bloomberg)

The Bank of Spain's decision to publish the results of stress tests on the nation's lenders may force European neighbours to follow suit as investors demand more disclosure of the risks on banks' books. "Pressure is increasing and now European countries need to consider whether to follow Spain," said Daniel Hupfer, who helps manage \$40 billion at M.M. Warburg in Hamburg, including shares of Deutsche Bank AG, BNP Paribas SA and Banco Santander SA. "Whether they will is hard to predict. Europe isn't really seeing eye-to-eye right now." (Bloomberg)

In **Asia** - from Shanghai to Singapore, policy makers are struggling in their efforts to curb property bubbles that threaten to derail the world's fastest growing region. In China, home prices are surging at a record pace even after authorities set price ceilings, demanded higher deposits, and limited second-home purchases. In Hong Kong, where the government has pledged to release more land to cool prices, a site auctioned on June 8 fetched the most since the market peak of 1997. It's a similar story in Singapore and Taiwan as prices defy cooling measures. (Bloomberg)

The boycott threat on the sale of **controlled items** is off. The Federation of Sundry Goods Merchants Association on Wednesday assured consumers of enough supply of sugar, flour and cooking oil in sundry shops. A single licensing system would be used from July 1 to sell six essential items. Sundry shops are permitted to have in capacity 500kg each for sugar, flour and cooking oil under the all-in-one licence, compared to 200kg per item previously. (Star)

In an unprecedented move, the Securities Commission (SC) obtained an ex parte injunction to refrain Datuk Ishak Ismail from dealing with the RM10.2mil worth of proceeds he got from the sale of his shares in troubled furniture maker, **Kenmark Industrial Co (M) Bhd** (KENMARK). This is the first such case where the SC acted to prevent dealings in the cash proceeds from a share sale, but in the past the commission had obtained injunctions to prevent disposal of assets in the Swisscash case and stop usage of funds from land sale in the The Ayer Molek Rubber Co Bhd case. The SC obtained the injunction yesterday following its investigations into suspected breaches of securities laws by Ishak. (Star)

Rising demand from emerging markets lifted **Top Glove Corp Bhd's** (TOPGLOV) net profit for the third quarter ended May 31 by 54% to RM65.4mil. Revenue for the quarter grew 49% to RM555.9mil while earnings per share increased to 21.31 sen from 14.31 sen in the previous corresponding period. The group's net profit for the nine-month period was up 81% to RM204.2mil on revenue growth of 39% to RM1.54bil. Top Glove also announced an interim dividend of 14 sen per share, which is 100% higher than last year's interim dividend of 7 sen. (Star)

MISC Bhd (MISC) yesterday announced that the group has redesignated its former non-executive director Datuk Nasarudin Md Idris as the new president and chief executive officer (CEO). Its previous president and CEO Amir Hamzah Azizan has been redesignated as non-executive director. (Star)

The Corporate Debt Restructuring Committee (CDRC) has accepted **Maxbiz Corp Bhd's** (MAXBIZ) application to mediate between the Maxbiz group and its scheme creditors. Maxbiz told Bursa Malaysia yesterday that under the terms by CDRC, it had six months to complete its proposed debt restructuring scheme. "Maxbiz will make the necessary announcement once the proposed debt restructuring scheme has been finalised with the scheme creditors and the CDRC," it said. (Star)

Titan Chemicals Corp Bhd's (TITAN) two major shareholders, Taiwan's Chao Group and Permodalan Nasional Bhd (PNB), are in talks to divest their stakes in the petrochemical company. The prospective buyer could be a foreign party, a source said. "Foreign players will look at the company's liquidity and critical mass. This is a good time to sell (the stakes) as the company is at the point of the cycle where everything is looking up," the source said. To this end, it is believed that the company's top officials had in recent months made numerous trips to Europe and China. (Star)

Maxis Bhd (MAXIS) is preparing to raise as much as RM4.5bil to upgrade its network and pay back debt, chief financial officer Rossana Rashidi said. The carrier, controlled by billionaire T. Ananda Krishnan, was in talks with bankers to weigh options that included the company's first sale of bonds, Rossana said in an interview on Tuesday. Maxis may raise the funds in the next three to six months, she said. The company plans to invest RM1.4bil on its mobile phone and broadband networks this year as revenue from voice calls shrinks. (Star)

Property developer **Mulpha Land Bhd** (MULPHAL) said its proposed capital reduction will help clean up its book and improve cash position. Mulpha plans to reduce the par value of its shares by 90 per cent, which will give rise to RM82 million. This will help clear accumulated losses and the rest will be credited to its cash reserves. (BTimes)

The landscape for office ownership in Kuala Lumpur is set to change as **Berjaya Corp Bhd** (BJCORP) is offering strata title units in the Golden Triangle for retail investors to buy. It is rare for developers to offer strata title units in the Klang Valley. Usually, the office building is sold en bloc, or the units in bulk, to institutional investors. BCorp recently launched the much-awaited Ritz Corporate Suites - a Grade A office tower fronting Renaissance Hotel - at the corner of Jalan Ampang and Jalan Sultan Ismail. The twin towers Ritz project with green features is worth more than RM1 billion. The second tower is the 48-storey Ritz Carlton Residences, targeted for launch next year. (BTimes)