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(A Participating Organisation of Bursa Malaysia)

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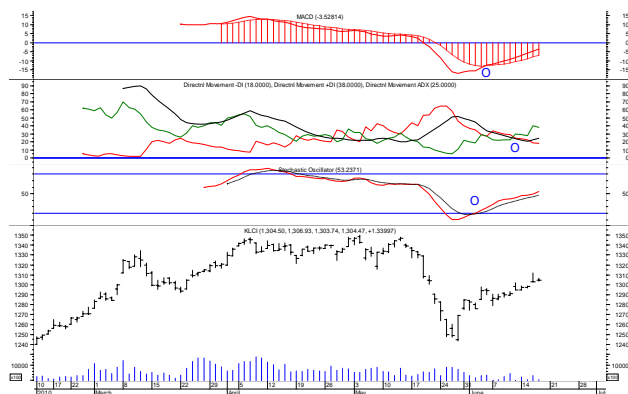
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MARKET FLASH

FBM KLCI

Fri, 18 Jun 2010



MARKET STATISTICS (17/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,304.47	+ 1.34
FBM 100	8,570.92	+ 7.46
FBM ACE	3,824.43	+ 8.62
Volume (m)	516.4	
Value (RMm)	757.0	
Up	295	
Down	277	
Unchanged	294	

FOREIGN

Nikkei	9,999.40	- 67.75
Hang Seng	20,138.40	+ 76.25
STI	2,843.95	- 2.99
Shanghai CI	2,560.2	- 9.70

BURSA MOVERS

Gainers	Close	Chg
UAC	3.48	+ 0.23
Khind	1.30	+ 0.20
Shell	10.80	+ 0.20
UtdPlnt	14.30	+ 0.20
KYM-wa	1.02	+ 0.19
Losers	Close	Chg
Minho	0.35	- 0.185
CFM	0.50	- 0.12
KSeng	5.19	- 0.11
Century	1.52	- 0.11
Genting	7.15	- 0.10
Actives	Close	Chg
Talam	0.125	=
Aim	0.135	- 0.01
Kenmark	0.09	- 0.01
GPacket-wa	0.415	+ 0.01
Mulpha	- 0.41	- 0.005

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,306.93 level.

Market Buying Strength :

About **49%** of total market volume on 17/6/2010 was on buying side compared to **49%** in the preceding trading day.

"Movement" in Strong Hands :

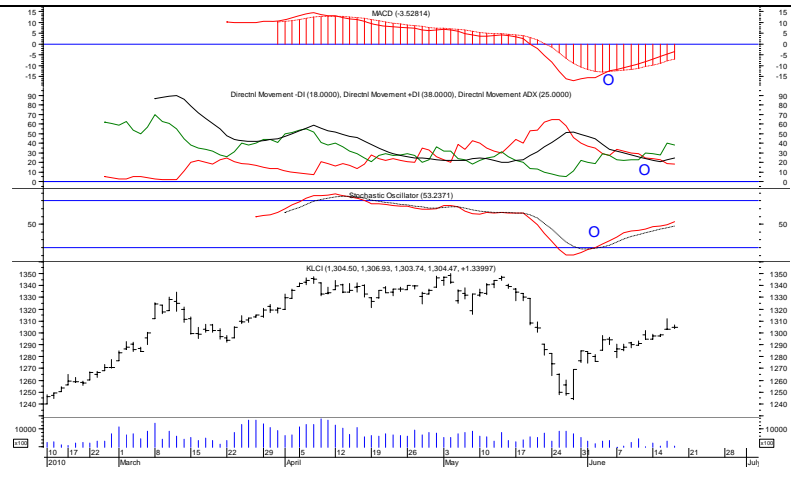
Strong hands were seen **liquidating** a portion of stock positions on 17/6/2010.

Pivot Point Studies for Intra-Day :

For Friday (**18/6/2010**), 1st resistance @ **1,306.3** & 2nd resistance @ **1,308.2** ; 1st support @ **1,303.1** & 2nd support @ **1,301.8**.

To read more

Technical Analysis – Daily FBM KLCI

	17/6/2010	16/6/2010	
Open	1,304.5	1,303.14	
High	1,306.93	1,312.10	
Low	1,303.74	1,303.13	
Close	1,304.47	1,303.13	
Volume	516.4 m	662.8 m	
Market Breadth			
Up	295	494	
Down	277	174	
Unchanged	294	240	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

More buying support needed

Market Commentary :

Supported by news of BP's agreement to put US\$20 billion into a fund for victims of Gulf of Mexico oil spill, DJIA had on 16/6/2010 gained 4.69 points to close at 10,409.46.

The single-digit gain in Wall Street provided a friendly lead to Bursa Malaysia in the opening bell on 17/6/2010, FBM KLCI only traded to a day low of **1,303.74** as some traders chose to play on buying side. In the absence of stronger selling interest, stock index rose to a day high of **1,306.93** before settled at **1,304.47**.

The single-digit **rise** of **1.34** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.04), **Maybank** (up RM0.03), **CIMB** (up RM), **TM** (up RM0.01) and **HL Bank** (up RM0.15).

What was the chart saying

Having been sold down to close at day low after making a day high of 1,312.10 on 16/6/2010, market kept its position above 1,300 level yesterday (17/6/2010) in an attempt to contain the spill over of selling sentiment from 16/6/2010. This supportive move was seen necessary to bring the market sentiment back to a friendly status from bearish pessimism especially when market had just made the step to push the stock index thru 1,300 level on 16/6/2010.

Was this an indication of more buying into today's market (18/6/2010) ? 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 17/6/2010.

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. Outside market noises may continue to haunt traders' mind in buying stocks; but, we had at least seen something positive happened in the market on 16/6/2010, and that would pave the way.

Why didn't the market trade higher on 17/6/2010 after making to a high of 1,312.10 on 16/6/2010 ? 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. Market volume on 17/6/2010 was low, this indicated a cautious play, and 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 & 17/6/2010) 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 17/6/2010 showed that buying strength weakened with strong hand(s) seen disposing a small portion of buying positions, the number of stock positions liquidated on 17/6/2010 added the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 35% from 33% in the preceding trading day (16/6/2010).

Conclusion :

The short and medium term market outlook remained weak.

The analysis of overall daily market action(s) on 17/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,306.93.

Today's Hot Pick – 3A

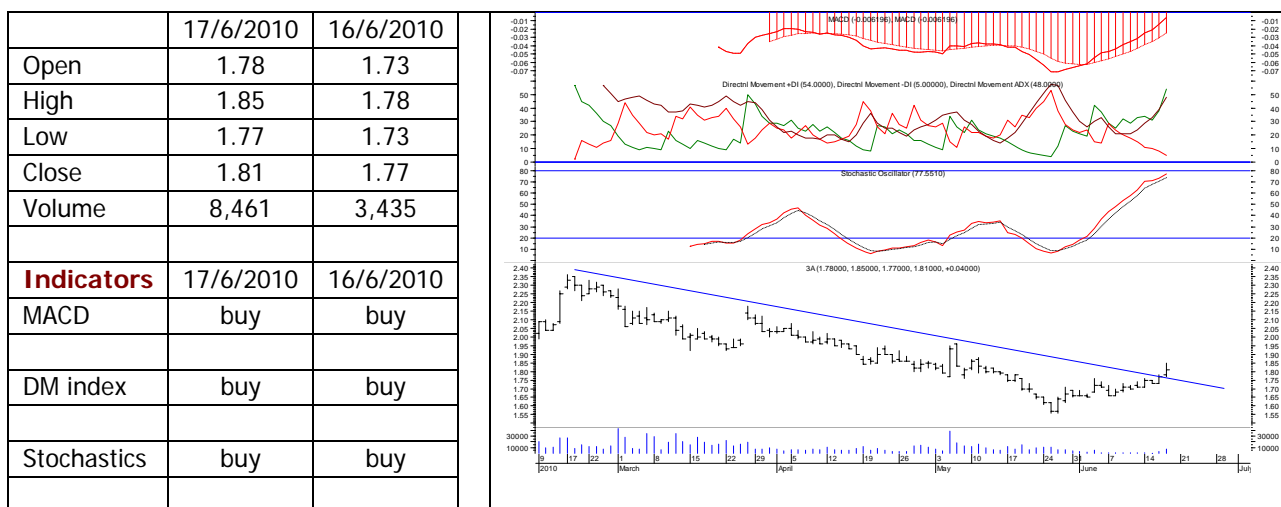


Chart wise : *Higher volume plus a crossover.....*

3A (0012 - MainBoard) had on 17/6/2010 crossed over the downward sloping trend line extended from high of RM2.35 (18/2/2010) to connect the other high of RM1.96 (6/5/2010) to reach a day high of **RM1.85** before settled at **RM1.81**.

Next Potential Upside Target : With the upside violation of the downward sloping trend line, **3A** would thus be likely to trade upward with next upside target at **RM1.95**.

Entry Level : Risk taking traders may establish buying position at **RM1.78** as a small pull back is seen likely.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM1.74** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – Titan

	17/6/2010	16/6/2010
Open	1.46	1.40
High	1.54	1.47
Low	1.46	1.40
Close	1.54	1.46
Volume	59,090	43,134
Indicators	17/6/2010	16/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

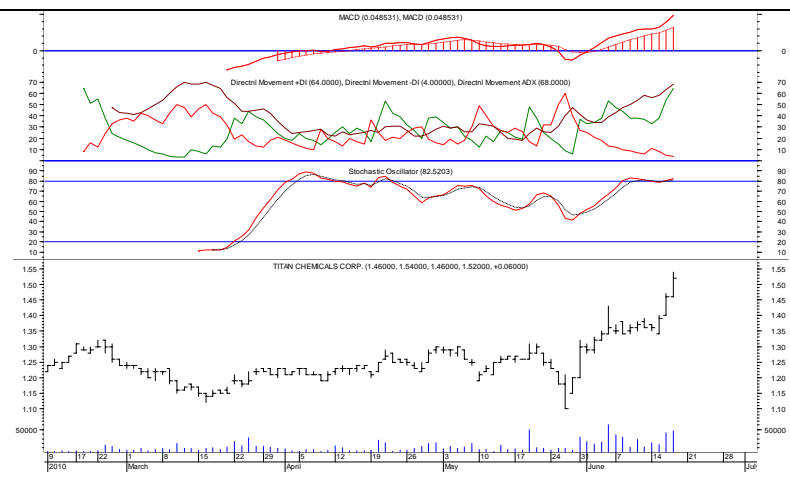


Chart wise : *Highest 6/11/2007*

Titan (5103 - MainBoard) had on 17/6/2010 traded higher to reach highest **high of RM1.54** since 6/11/2007 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 **RM1.68** and support at **RM1.30**.

What to watch for

A turnaround of prices to close **below RM1.30** level would see an immediate short term reversing direction in the stock.

Active Stock Review – **Cocoaland Holdings Bhd**

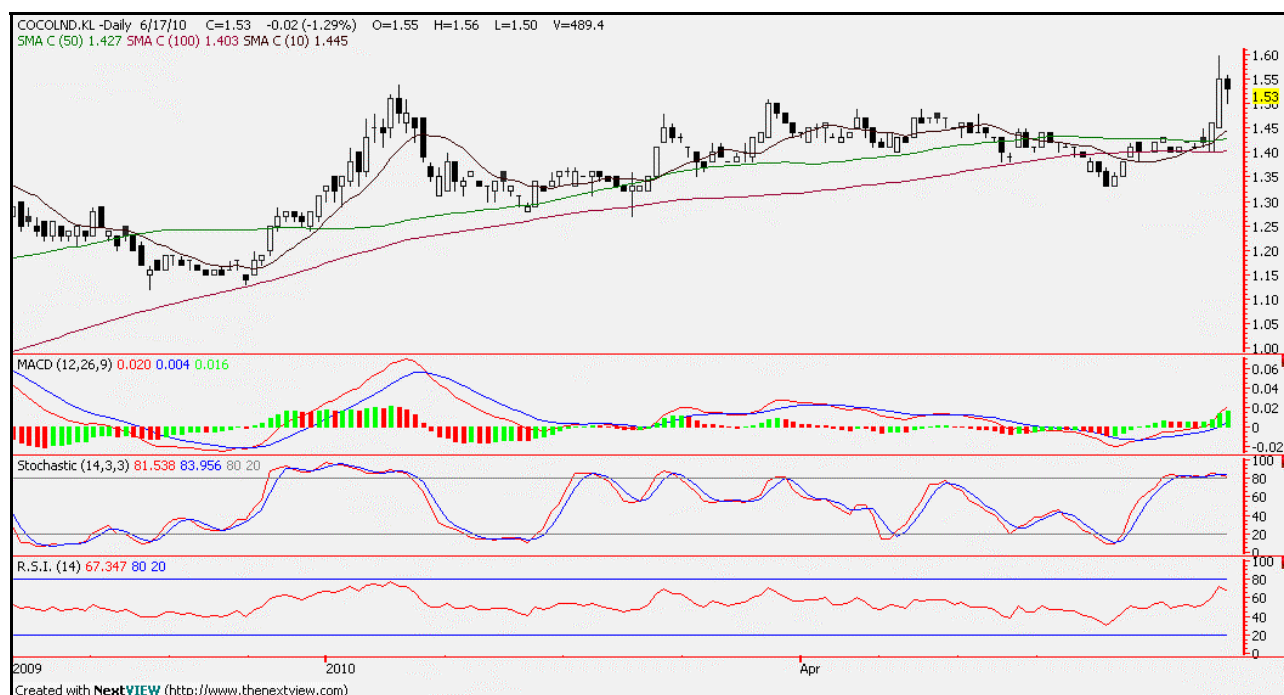


Chart wise

Trading buy.

Cocoaland Holdings Bhd (7205-Main Market-Consumer Products)

Slowly but surely, Cocoaland had been trending upwards but in recent days it jumped and make a 52 week high before correcting from an overbought position. The recent upswing was swift and substantial for it to sustain and the current correction will help to unwind the position for more potential upsides.

Supported by strong fundamentals, more upside is in store for Cocoaland. Technically, a strong support is at RM1.33 but it may find immediate support at RM1.44 along the trailing 10-day moving averages.

MAJOR NEWS

Commodity, Currency and Economic News

Japan's consumer finance companies face multibillion-dollar losses and an industry shakeout as stricter loan rules that take effect today force them to slow lending, analysts said. Aiful Corp., Promise Co., Takefuji Corp. and Acom Co., the country's top four consumer lenders, face losses of 503 billion yen (US\$5.5 billion) over the next two years, according to estimates from Nomura Holdings Inc. The law caps interest rates at 20 percent and prohibits lending to borrowers with consumer debt equal to a third or more of their annual income. More than 60 percent of Japan's 3,900 registered lenders are yet to comply with a rule requiring them to sign up with credit information firms, meaning they can't make new loans. The caps, meant to protect borrowers, mark the final phase of a four-year crackdown on the industry that's contributed to the closure of thousands of consumer lenders, choking off credit in Asia's largest economy. (Bloomberg)

US, the world's largest economy will keep expanding in the second half of the year without stoking inflation or generating many jobs, reinforcing the Federal Reserve's low-interest-rate policy, reports today showed. The index of leading indicators, a gauge of the outlook for growth over the next three to six months, climbed 0.4 percent in May, according to data from the New York-based Conference Board. Other figures showed the cost of living dropped, claims for jobless benefits unexpectedly increased to the highest level in a month and manufacturing in the Philadelphia Fed region cooled. (Bloomberg)

Prices on the **crude palm oil futures** contract market ended higher on Bursa Malaysia Derivatives yesterday as traders expected a rainy season to dampen productivity, dealers said. At close, the July 2010 contract added RM13 to RM2,477 per tonne, August 2010 jumped RM15 to RM2,435 per tonne. September 2010 rose RM18 to RM2,398 per tonne and October 2010 went up RM12 to RM2,384 per tonne. Turnover was lower at 13,435 lots compared to 19,375 lots Wednesday while open interest rose to 76,819 contracts from 76,801 contracts previously. (BTimes)

The ringgit closed easier yesterday against the US dollar at 3.2640/2670 in late trade as against Wednesday's close of 3.2590/2620, dealers said. A dealer said worries over Spain's public finances and banking system influenced the forex market direction yesterday. Against other major currencies, the ringgit was mixed at close. (BTimes)

Oil prices dropped below US\$77 a barrel Thursday as investors lost confidence in a three-week rally amid signs of weak crude demand in the U.S., the world's biggest energy consumer, and a modest, uneven economic recovery. Benchmark crude for July delivery dropped 88 cents to settle at \$76.79 a barrel on the New York Mercantile Exchange. Oil has jumped from \$64 on May 25 - after dropping from \$87 earlier last month - as fears eased that Europe's debt crisis will stall global economic growth. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10434.17	24.71	0.24	Nasdaq CI	2307.16	1.23	0.05
S&P 500	1116.04	1.43	0.13	FTSE 100	5253.89	15.97	0.30

Global and Local Headlines

U.S. stocks rose, with benchmark indexes turning positive for the year, as a late-day technology-share rally helped the market overcome an early slump spurred by economic reports casting doubts on the strength of the recovery. Apple Inc. rose 1.7 percent to a record price to pace gains in computer companies on optimism over the new version of its iPhone. First Solar Inc., the world's largest maker of thin-film solar power modules, rallied 3.9 percent to lead industrial companies higher on Credit Suisse Group AG's advice to buy the shares. Benchmark indexes recovered as the euro climbed to near its highest level of the day against the dollar, signaling growing confidence the European debt crisis is contained. (Bloomberg)

BP Plc, the target of more than 220 lawsuits over the Gulf of Mexico oil spill, is seeking to borrow at least US\$5 billion from banks to meet compensation payments, according to two bankers approached by the company. BP has asked lenders for one-year credit lines, one of the people said. It is arranging the transactions individually with banks, said the people, who declined to be identified because the talks are private. The financing is in addition to BP's \$10.5 billion of undrawn lines, the people said. The funds may give BP additional flexibility if borrowing in bond markets becomes too expensive after the company's debt was cut six levels to BBB from AA by Fitch Ratings June 15. Standard & Poor's said today that it cut the company's long-term credit rating two steps from AA- to A. The company had \$27.7 billion in cash flow from operations in 2009. (Bloomberg)

Mining takeovers in Australia, the biggest shipper of iron ore and coal, are set to hit a five-year low this quarter after the government proposed the introduction of a mining "super profit" tax. There have been 47 announced deals valued at US\$914 million this quarter, compared with 89 deals worth \$9.11 billion in the three months ended June 30 a year ago, according to data compiled by Bloomberg. That's on track for the lowest number of deals since the first quarter of 2006 and the smallest value since the fourth quarter 2005. (Bloomberg)

The European Union's decision to publish the results of stress tests on the region's lenders was welcomed by shareholders seeking more transparency. Investors still want to know how tough the terms of the tests will be. The studies will be done "institution by institution," French President Nicolas Sarkozy told reporters at an EU summit in Brussels yesterday. German Chancellor Angela Merkel said it was important to give "maximum transparency." Asked how the governments would react if the tests revealed shortcomings, she said the EU has "taken precautions," including a 750 billion-euro (US\$928 billion) financial backstop. (Bloomberg)

Japanese and Australian stocks fell in New York as a slump in Philadelphia manufacturing and rising jobless claims in the U.S. overshadowed gains in the euro. American depository receipts of Nissan Motor Co., which counts North America as its biggest market by revenue, finished 0.3 percent lower than the Tokyo close. Those of Sony Corp., which gets 21 percent of its sales from Europe, gained 0.2 percent as a stronger euro against the yen increases the value of its sales in the region. ADRs of BHP Billiton Ltd., the world's biggest mining company, sank 0.5 percent after prices for metals and oil dropped yesterday. (Bloomberg)

Titan Chemicals Corp Bhd (TITAN) has confirmed yesterday's StarBiz report that its major shareholders, Taiwan's Chao Group and Permodalan Nasional Bhd (PNB), are in talks with a third party but it stopped short of saying whether the talks involved the two parties divesting their stakes. "We have been informed by our major shareholders, the Chao Group and PNB, that they are presently in informal discussions with a third party subsequent to a proposal which was presented to them by that third party. There is as yet no outcome, event or other development from such discussions," Titan told Bursa Malaysia. (Star)

Alliance Bank Malaysia Bhd has appointed Singaporean Sng Seow Wah group chief executive officer (CEO). The appointment was approved by Bank Negara yesterday and Sng, who has 24 years of experience, was expected to start next month, it added in a statement. StarBiz had last month tipped Sng would take over the CEO post, which was vacated after Datuk Bridget Lai resigned effective April 1 following her extended leave since December to facilitate an internal probe. (Star)

Hong Leong Financial Group (HLFG) and Mitsui Sumitomo Insurance Co will make a "material announcement" today, a statement issued on behalf of HLFG said yesterday. HLFG stock was suspended on Bursa Malaysia. In May, the Nikkei business daily said the Japanese insurer would take a stake in Hong Leong's non-life insurance operations in Malaysia which would be spun off and integrated with Mitsui Sumitomo's unit. (Star)

Ekuiti Nasional Bhd (Ekuinas), a government-linked private equity fund, plans take up a 20% stake in **Tanjung Offshore Bhd** (TGOFFS) for RM73.4mil. This will be done in a deal involving the sale of new shares and acquisition of stocks from Tanjung co-founder Abdullah Hashim. "Both transactions shall be undertaken at RM1.30 per share," Ekuinas said in a statement yesterday. (Star)

Bank Negara will issue five new commercial banking licences to foreign banks in line with the liberalisation of the sector, the central bank said. The banks were BNP Paribas SA (France), Mizuho Corporate Bank (Japan), National Bank of Abu Dhabi (United Arab Emirates), PT Bank Mandiri (Persero) Tbk (Indonesia), and Sumitomo Mitsui Banking Corp (Japan), the central bank said in a statement yesterday. The licences would be issued to the banks' wholly-owned units. The five newcomers will take the total commercial foreign banks in the country to 19, according to Bank Negara's website. (Star)

Kenmark Industrial Co (M) Bhd (KENMARK) managing director James Hwang's stake in the troubled company had been cut down to 3.96%, or seven million shares as at June 16, the company told Bursa Malaysia yesterday. This compared to 8.4% on June 7, and 29.9% on April 23. (Star)

Property developer **SP Setia Bhd** (SPSETIA) posted a 26% increase in net profit to RM51.2mil for its second quarter ended April 30, compared with RM40.52mil in the corresponding period last year. Revenue for the second quarter increased to RM409.1mil from RM352.2mil previously. In a filing to Bursa Malaysia yesterday, the company said the improved performance was mainly due to better sales in residential and commercial properties in the Klang Valley and Johor Baru. SP Setia said it continued to set new sales benchmarks with second-quarter sales of RM598mil and cumulative six-month sales of RM1.206bil. As at May 31, the company's sales (based on sale and purchase agreements signed) for the first seven months totalled RM1.44bil. The management expects to achieve its sales target of RM2bil for the financial year ending Oct 31, 2010 (FY10) on the back of strong sales momentum and upbeat consumer sentiment. (Star)

The total bill for **rail-based public transport** improvements in the Klang Valley, including the ambitious mass rapid transit (MRT), could top RM50bil, reliable sources said. The RM50bil is inclusive of the confirmed RM7bil light rail transit (LRT) extension projects. The other RM43bil is for the recently proposed MRT project. Sources said that of the RM43bil, RM36bil was for the construction (including tunnelling works) and design of the MRT, RM2bil for land acquisition, RM3bil for rolling stock and RM2bil for developing an underground commercial space. (Star)

Holders of **Berjaya Corp Bhd's** (BJCOPR) irredeemable convertible unsecured loan stocks (Iculs), who had said they should have been given more time to convert their loans stocks into shares to be eligible for the dividend-in-specie of Berjaya Retail Bhd shares, have been offered a solution to their predicament. BCorp is aware of the situation Icul holders have been put in and is rectifying it. "We are going to extend the entitlement period to June 24," a company official told StarBiz. (Star)

Khazanah Nasional Bhd, the government's investment arm, is said to have bought ultra-luxury resort chain Amanresorts from India's largest real estate company DLF. The Economic Times of India reported that Khazanah may pay between US\$300 million to US\$350 million (RM981 million to RM1.14 billion) for the 97 per cent stake owned by DLF. The remaining 3 per cent is owned by Indonesian hotelier and founder of Amanresorts, Adrian Zecha. Adrian Zecha is also the founder of General Hotel Management (GHM), which in Malaysia manages The Datai in Langkawi and The Chedi chain elsewhere. (BTimes)

The **Securities Commission** (SC) yesterday confirmed it is investigating Linear Corp Bhd's financial affairs after the company paid out almost all of its cash to a company in Seychelles. "Linear has been under the SC's scrutiny. Following from this, we note that the auditors had issued a qualified report relating to the recoverability of certain advances made. Our investigations are ongoing," a spokesperson told Business Times yesterday. (BTimes)

UMW Holdings Bhd (UMW) wants to wait until the second half of the year before deciding when to list its oil and gas unit. It will be the fourth postponement since the diversified group received the Securities Commission's approval for the listing two years ago. UMW president and group chief executive officer Datuk Abdul Halim Harun said its oil and gas division has been seeing increasing revenues since the initial public offering (IPO) plans were announced. "We've decided to wait for a while so that we can have a bigger IPO and everybody can have a bigger share of the cake," he told reporters after UMW's annual general meeting in Shah Alam, Selangor, yesterday. (BTimes)