



Mercury Securities Sdn Bhd (113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office
Wisma UMHO,
Lorong Bagan Luar Dua,
12000 Butterworth,
Seberang Perai.
Tel: 604-3322 123

KL BRANCH
L-7-2, Ilo 2,
Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel: 603-6203 7227

MELAKA BRANCH
81B & 83B,
Jalan Merdeka,
Taman Melaka Raya,
75000 Melaka.
Tel: 606-292 1898

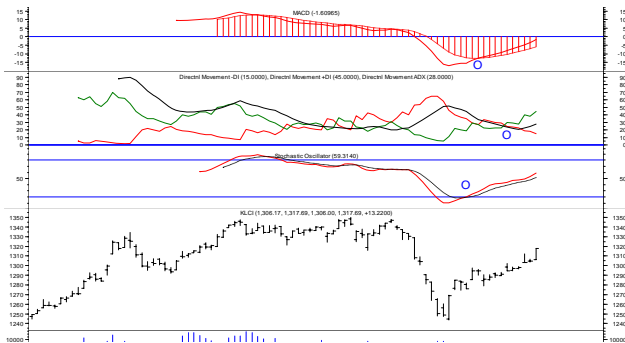
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhrantai,
10300 Penang.
Tel: 604-263 9118

JOHOR BRANCH
Menara Pelangi,
Suite 17.1, Level 17,
Jalan Kuning, Taman Pelangi,
80400 Johor Bahru.
Tel: 607-331 6992

MARKET FLASH

FBM KLCI

Mon, 21 Jun 2010



MARKET STATISTICS (18/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,317.69	+ 13.22
FBM 100	8,652.43	+ 81.51
FBM ACE	3,875.73	+ 51.30

Volume (m)	537.7
Value (RMm)	1,160.5
Up	416
Down	193
Unchanged	278

FOREIGN

Nikkei	9,995.02	- 4.38
Hang Seng	20,286.71	+ 148.31
STI	2,833.40	- 10.55
Shanghai CI	2,513.22	- 47.02

BURSA MOVERS

Gainers	Close	Chg
Tenaga	8.80	+ 0.45
Digi	23.12	+ 0.36
BAT	44.16	+ 0.32
Taan	5.30	+ 0.30
Petdag	9.34	+ 0.29

Losers	Close	Chg
RCI	1.56	- 0.24
Magni	1.02	- 0.17
Khind	1.13	- 0.17
Shell	10.70	- 0.10
Tasek	4.90	- 0.10

Actives	Close	Chg
Talam	0.125	-
Affin-wc	0.005	-
Gamuda-wd	0.92	+ 0.09
Kenmark	0.095	+ 0.005
CIMB	6.95	+ 0.02

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,317.69 level.

Market Buying Strength :

About **99%** of total market volume on 18/6/2010 was on buying side compared to **49%** in the preceding trading day.

"Movement" in Strong Hands :

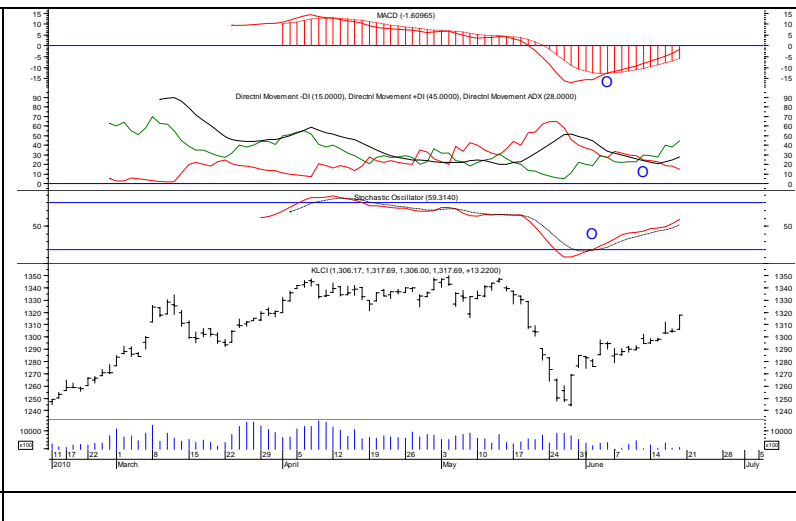
Strong hands were seen **acquiring** a portion of stock positions on 18/6/2010.

Pivot Point Studies for Intra-Day :

For Monday (**21/6/2010**), 1st resistance @ 1,321.5 & 2nd resistance @ 1,325.4 ; 1st support @ 1,309.9 & 2nd support @ 1,302.1.

To read more

Technical Analysis – Daily FBM KLCI

	18/6/2010	17/6/2010	
Open	1,306.17	1,304.5	
High	1,317.69	1,306.93	
Low	1,306.00	1,303.74	
Close	1,317.69	1,304.47	
Volume	537.7 m	516.4 m	
Market Breadth			
Up	416	295	
Down	193	277	
Unchanged	278	294	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

A shift in trading psychology.....

Market Commentary :

Despite the recent disappointing economic reports of number of people seeking unemployment benefits, DJIA had on 17/6/2010 gained 24.71 points to close at 10,434.17..

The double-digit gain in Wall Street sent a friendly signal to Bursa Malaysia in the opening bell on 18/6/2010, FBM KLCI only traded to a low of 1,306 as traders were seen not comfortable to play on selling side. In the absence of stronger selling pressure, renewed buying interest rolled in, this lifted market above immediate high of 1,312.10 (16/6/2010) to reach a day high of **1,317.69** before settled at **day high**.

The double-digit **rise** of **13.22** points in FBM KLCI was attributed to **buying** pressure in blue-chip counters such as **Sime Darby** (up RM0.07), **Maybank** (up RM0.05), **CIMB** (up RM0.02), **Tenaga Nasional** (up RM0.45) and **HL Bank** (up RM0.04).

What was the chart saying

Having managed to “steal” a seat above 1,300 level on 17/6/2010 in spite of a weak day low closing on 16/6/2001, market found the “ohm” to trade higher last Friday (18/6/2010) on external factor under the hidden help of the supportive move on 17/6/2010 to contain the selling sentiment on 16/6/2010.

Was this an indication of more buying into today's market (21/6/2010) ? 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 8 days (7/6/2010 – 17/6/2010) 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. However, this market was seen in position to go higher level on the back of improved market psychology.

Ladies & gentlemen, outside market noises may continue to haunt traders' mind; 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, this can be seen from a higher up close on 18/6/2010.

Why did the market trade higher on 18/6/2010 ? It has something to do with market psychology here, this kind of shift was seen important in keeping the market in an upward direction even though the low market volume on 18/6/2010 may have still indicated a low buying confidence and a cautious play in general.

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 market traded higher than 1,312.10 to 1,313.88 on 18/6/2010, what would likely happen to the market now ? The higher high market scenario on 18/6/2010 was indeed a friendly move to indicate something positive to follow ... next immediate resistance peaked at 1,330 level with support at 1,290.

What were the strong hands doing

A check of internal market strength on 18/6/2010 showed that buying strength *improved* with strong hand(s) seen *acquiring a portion of buying positions*, the number of stock positions established on **18/6/2010** reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to **24%** from **35%** in the preceding trading day (17/6/2010).

Conclusion :

The **short term** market outlook turned positive with **medium term** remained fragile; but, on improving scale.

The analysis of overall daily market action(s) on 18/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,317.69.

Today's Hot Pick – AFG

	18/6/2010	17/6/2010
Open	2.83	2.84
High	2.91	2.84
Low	2.82	2.80
Close	2.90	2.80
Volume	52,526	8,240
Indicators	18/6/2010	17/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

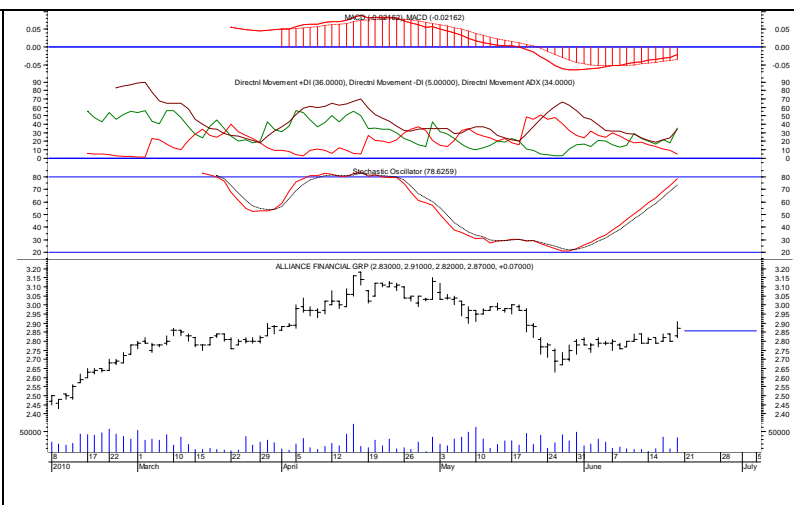


Chart wise : *Volume picked up*

AFG (2488 - MainBoard) had on 18/6/2010 crossed over immediate high of RM2.84 to a day high of **RM2.91** before settled at **RM2.90**.

Next Potential Upside Target : With the upside violation of **RM2.84** level, **AFG** would thus be likely to trade upward with next upside target at **RM3.00**.

Entry Level : Risk taking traders may establish buying position at **RM2.86** as a small pull back is seen likely before making attempt(s) to go upward.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM2.79** level **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – MBSB

	18/6/2010	17/6/2010
Open	1.16	1.12
High	1.27	1.17
Low	1.16	1.12
Close	1.25	1.16
Volume	60,589	9,439
Indicators	18/6/2010	17/6/2010
MACD	buy	buy
DM index	buy	buy
Stochastics	buy	buy

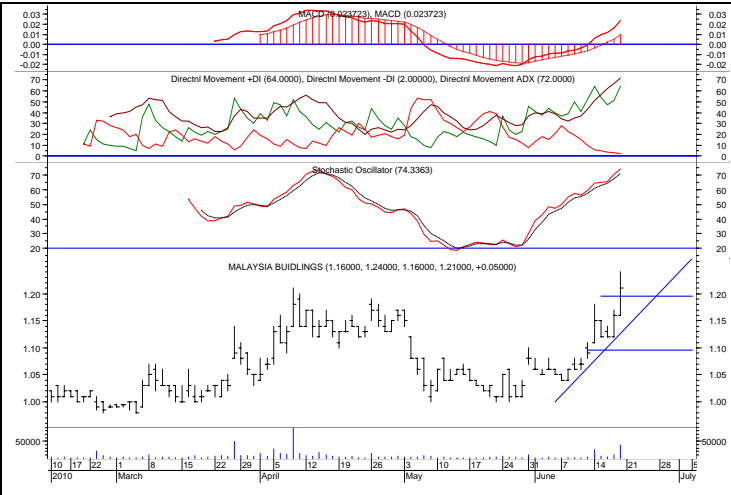


Chart wise : Resistance seen at RM1.38.....

MBSB (1171 - MainBoard) had on 18/6/2010 crossed over the immediate high of RM1.16 (4/6/2010) to a day high of RM1.27 before settled at RM1.25.

Price Direction

In view of an increase in market participation, the stock could be expected to trade upward in coming day(s) with an overhead resistance pegged at RM1.38 and support at RM1.07.

What to watch for

A turnaround of prices to close below RM1.07 level would see an immediate short term reversing direction in the stock.

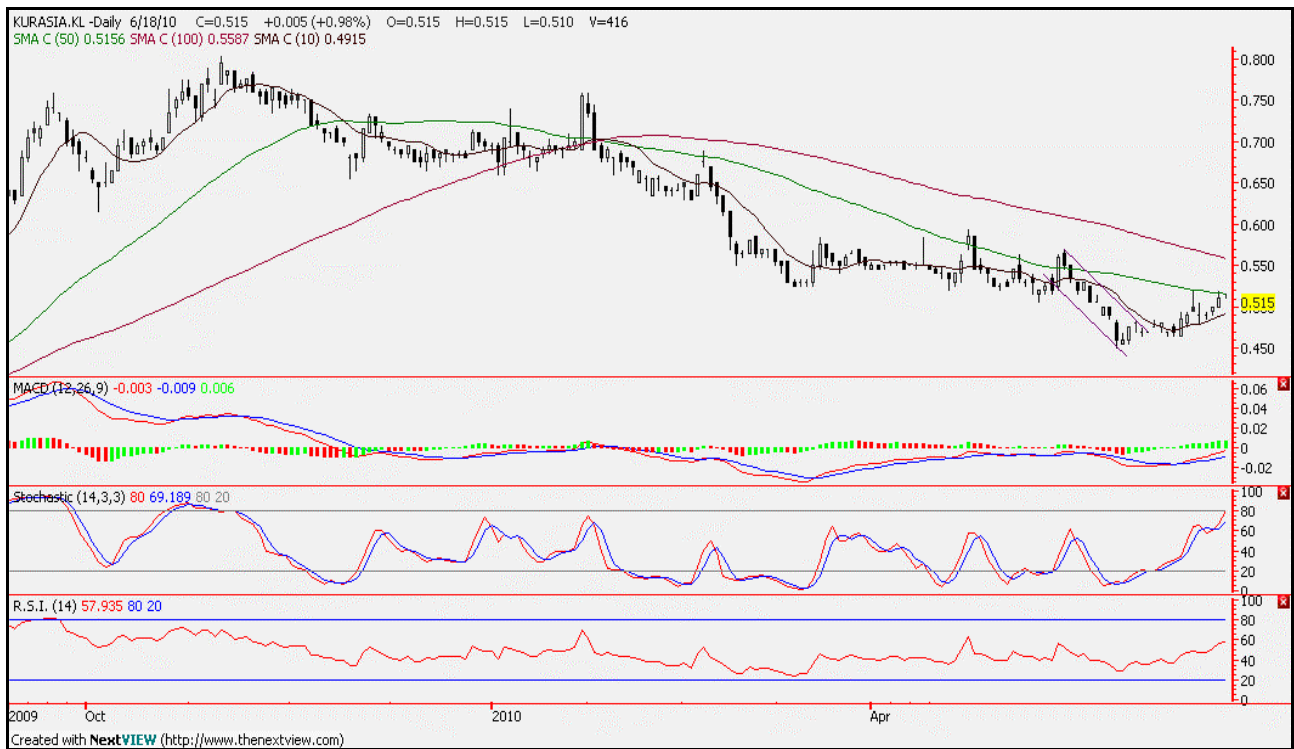


Chart wise:

Kurnia Asia Bhd (5097) - Main Market- Finance.

Kurnia Asia's share price has been on the rise after a local daily reported that the company aims to increase its gross premium collection by 10 per cent to RM1.1 billion this year. Its' ascend resulted in the candle breaching the bearish flag formation last week.

The breakout also helped to haul up its momentum indicators and as they continue to strengthen, the upsides look to sustain. As a consequence, there are Trading buy opportunities with resistances pegged at 52 sen, which is last Thursday intraday high. The support, meanwhile is at 47.5 sen, which is the upper line of the flag formation.

Technical Analysis – Weekly FBM KLCI

	18/6/2010	11/6/2010
Open	1,294.89	1,284.51
High	1,317.69	1,302.07
Low	1,294.60	1,278.89
Close	1,317.69	1,294/67
Volume	2.73 bil	2.87 bil
Pivot	1,309.9	1,291.8
1 st Resis.	1,325.3	1,304.8
2 nd Resis.	1,333.0	1,315.0
1 st Supp.	1,302.3	1,281.6
2 nd Supp.	1,286.9	1,268.7
Indicators		
MACD	sell	sell
DM Index	sell	sell
Stochastics	sell	sell

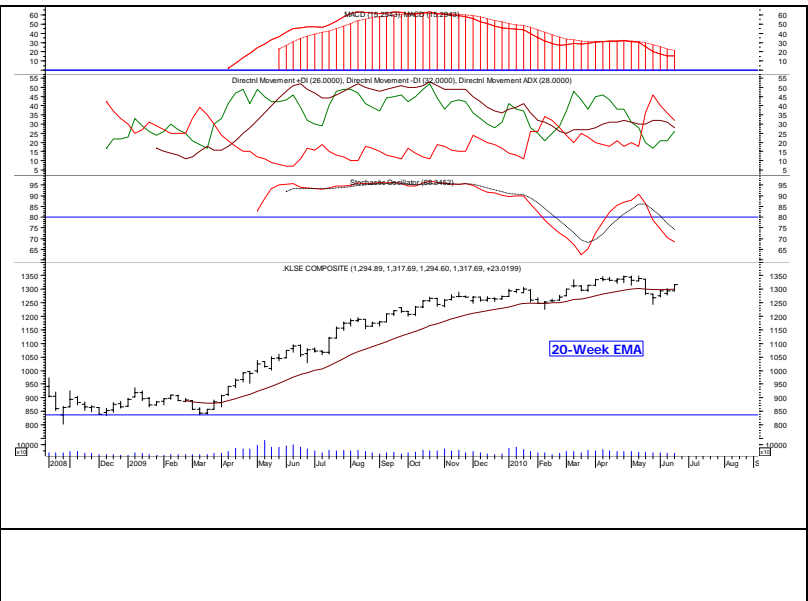


Chart wise : .

..... **99 % of total weekly market trading activity was on buying side**

Weekly Market Commentary :

Not grossly affected by economic report on increase number of people seeking unemployment benefits, DJIA continued its upward move above 10,000 level with a high of **10,441.20** before settled at **10,434.20** for the week ended 17/6/2010.

The upward move in Wall Street rendered an encouraging support to Bursa Malaysia, FBM KLCI found support above 1,290 level with a high of 1,317.69 level as traders chose to play on buying side in anticipation of higher market before settled at **day high** last week.

Total market turnover was **2.73** billion shares for week ended 11/6/2010 compared to **2.87** billion shares in the previous week, the **smaller market volume** in an **up close** scenario suggested **weaker buying pressure** last week.

With a week high (1,313.88) higher than previous week high (1,302.07) and a higher low (1,294.60) than previous week low (1,278.89), can market continue to go upward ? The higher weekly high and higher weekly low last week (18/6/2010) with weekly high penetrated the 20-week MA on settlement basis was a friendly market development, and this should open up more room for traders and investors to play on the upside.

On examination of the market behaviour for the week ended 18/6/2010, the weekly **up close** of **1,317.69** helped to paint a friendly picture onto the chart with **support** pegged at **1,290** and **overhead resistance** at **1,330** level.

A mathematical calculation showed that about 99 % of the total market trading activity for week ended 18/6/2010 was on the **buying side** compared to the 71 % in the previous week.

Conclusion :

The market action(s) for week ended 18/6/2010 revealed that buying power was **stronger** than selling pressure, FBM KLCI would thus be likely to trade **above 1,317.69** this week.

MAJOR NEWS

Commodity, Currency and Economic News

The US dollar fell against most of its major counterparts after China signaled an end to the yuan's fixed rate to the greenback, boosting confidence in the global economic recovery. Australia's and New Zealand's dollars advanced to one-month highs after China said it may allow the yuan to move higher, boosting demand for nations who sell products to the world's third-largest economy. The People's Bank of China two days ago indicated it's abandoning the 6.83 yuan peg to the dollar adopted during the global crisis to shield exporters. (Bloomberg)

China said it will allow a more flexible yuan, signalling an end to the currency's two-year-old peg to the dollar a week before a Group of 20 summit. The decision was made after the world's third-largest economy improved, the central bank said in a statement on its website yesterday, without indicating a timeframe for the change. It ruled out a one-time revaluation, saying there is no basis for "large-scale appreciation," and kept the yuan's 0.5 percent daily trading band unchanged. (Bloomberg)

The currency factor provided the main push behind price fillips in world commodity markets overall last week, including the Kuala Lumpur **CPO futures** market. The actively-traded September 2010 contract, on a third forward month basis, fluctuated within a narrow RM2,367-RM2,420 a tonne, closing last Friday at RM2,400 for a RM40 or 1.69 per cent gain over the week. The main reason for the price fillip was US dollar weakness against the euro, which encouraged speculation that the US export trade in soyabeans and soyaoil will benefit from higher foreign demand, mainly from China. That had a knock-on effect on the local CPO futures market, which otherwise would have been grasping at straws for leads. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10450.64	16.47	0.16	Nasdaq CI	2309.80	2.64	0.11
S&P 500	1117.51	1.47	0.13	FTSE 100	5250.84	-3.05	-0.06

Global and Local Headlines

Japanese stocks rose for the first time in three days after China signaled an end to the yuan's fixed rate against the dollar. Hitachi Construction Machinery Co., which counts China as its biggest market by revenue, jumped 2.8 percent. Daikin Industries Ltd., a maker of air conditioners, climbed 2.2 percent. (Bloomberg)

In pace with the uptrend in the oil and gas (O&G) industry, **Scomi Group Bhd** (SCOMI) is strengthening its related businesses to take advantage of the growth phase in the industry post global recession. This is because the group's O&G business was not spared from the impact of the global economic downturn. One of the strengthening measures involves Scomi Oilfield Ltd debt rationalisation exercise of RM630mil nominal value of Murabahah medium-term notes where each series of the notes is deferred by three years with new profit rates that have been recently approved by its note holders. (Star)

While speculation remains rife as to whether a bidding war may ensue over Singapore's **Parkway Holdings Ltd**, some clarity on the matter should surface as early as this Thursday. By then, the board of Parkway will need to issue the offer circular to shareholders, which will contain the crucial IFA or independent financial advisor's recommendation on the partial offer by Khazanah Nasional Bhd. The offer circular (a more detailed version of the offer document that has already been sent to Parkway shareholders) will also include an insight into what directors of Parkway, who directly own shares in the company, plan to do with their shares in light of the Khazanah offer. They are required to disclose how they intend to deal with their shares in this offer period. This Thursday is also significant as it is the date of record for the purposes of shareholder votes on the Khazanah offer. This means that only registered Parkway shareholders as of that date will be able to vote on the Khazanah offer. (Star)

Malaysia Airlines (MAS) may consider applying for an investment tax allowance incentive from the Ministry of Finance (MOF) with the arrival of the first of its aircraft on order. The national carrier will receive three Boeing 737-800s this year under its fleet renewal programme. By end-2016, it is expected to take delivery of six Airbus 380s, 15 A330-300s and 35 B737-800s. "We are considering it. We already have a tax exemption now and we can only have one. Of course the one we have now has an expiry date," MAS managing director and chief executive officer Tengku Datuk Azmil Zahrudin told Business Times. (BTimes)

Maersk Line, the world's biggest container shipping group, said a strong rebound in global trade has led to an unprecedented shortage of containers as shipping enters its peak season. Maersk Line, part of Danish oil and shipping group AP Moller-Maersk, is sometimes seen as a barometer of world trade. Last week it announced unusually high peak season surcharges on freight rates from Asia to Europe. (BTimes)

AmFIRST Real Estate Investment Trust (AMFIRST), Malaysia's second biggest property trust by assets, is out to increase its asset size of more than RM1 billion and expects a deal to be done in the current financial year. Its performance will also be driven by the expansion of major tenant AmBank Group and progressive upgrading of existing buildings to attract new tenants. Am ARA REIT Managers Sdn Bhd chief executive officer Lim Yoon Peng said the trust manager also aimed to acquire a few assets in the Klang Valley. (BTimes)

Dutch Lady Milk Industries Bhd (DLADY) hopes to reach the RM1 billion revenue mark within three years or earlier, its top official said. This will be achieved through a combination of innovation, brand differentiation and by promoting more dairy consumption. In the financial year ended December 31 2009, Dutch Lady posted a revenue of RM691.85 million and a net profit of RM60.4 million. It is now the market leader in Malaysia, commanding 19 per cent of the dairy market. (BTimes)