



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

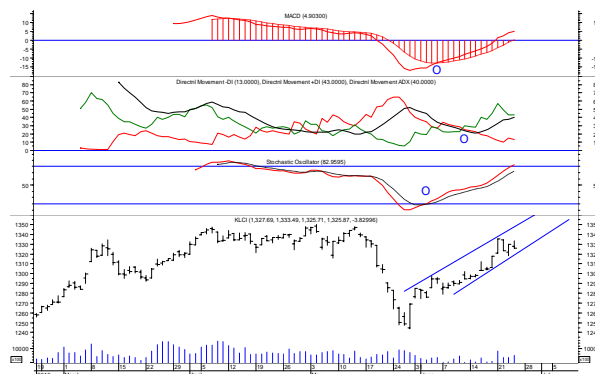
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhr Pantai,
10300 Penang.
Tel: 604-263 9118

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

MARKET FLASH

FBM KLCI

Fri, 25 Jun 2010



MARKET STATISTICS (24/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,325.87	- 3.83
FBM 100	8,728.89	- 18.52
FBM ACE	3,912.04	- 8.66
Volume (m)	749.3	
Value (RMm)	1,076.9	
Up	318	
Down	332	
Unchanged	418	

FOREIGN

Nikkei	9,928.34	+ 4.64
Hang Seng	20,733.49	- 123.12
STI	2,847.61	- 23.44
Shanghai CI		

BURSA MOVERS

Gainers	Close	Chg
Panamy	18.06	+ 0.46
BJ Land	4.45	+ 0.38
UMcca	9.35	+ 0.35
CCB	6.53	+ 0.33
Chintek	7.78	+ 0.33

Losers	Close	Chg
PetDag	9.24	- 0.54
BAT	44.46	- 0.48
Tanjong	17.74	- 0.36
Digi	22.94	- 0.26
HLBank	8.55	- 0.23

Actives	Close	Chg
Gamuda-WD	1.10	- 0.08
KNM	0.53	+ 0.01
Kenmark	0.115	- 0.03
SAAG	0.085	=
OilCorp	0.075	+ 0.015

Today's Market Direction :

FBM KLCI would likely to trade **above** 1,333.49 level after making attempt to go **lower** than 1,325.87.

Market Buying Strength :

About **38%** of total market volume on 24/6/2010 was on buying side compared to **84%** in the preceding trading day.

"Movement" in Strong Hands :

Strong hands were seen **acquiring** a small portion of stock positions on 24/6/2010.

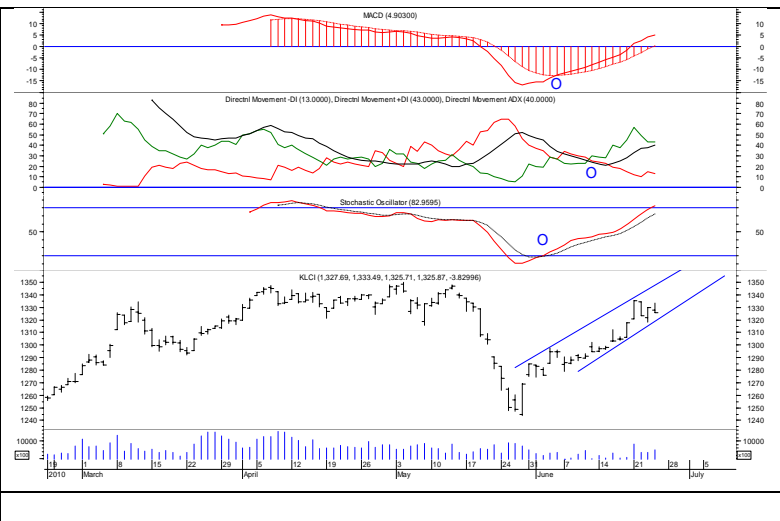
Pivot Point Studies for Intra-Day :

For Friday (25/6/2010), 1st resistance @ 1,331.0 & 2nd resistance @ 1,336.1 ; 1st support @ 1,323.2 & 2nd support @ 1,320.5.

To read more

Technical Analysis – Daily FBM KLCI

	24/6/2010	23/6/2010
Open	1,327.69	1,322.05
High	1,333.49	1,329.70
Low	1,325.71	1,318.52
Close	1,325.87	1,329.70
Volume	749.3 m	684.9 m
Market Breadth		
Up	318	360
Down	332	275
Unchanged	418	271
Indicators		
MACD	buy	buy
DM Index	buy	buy
Stochastics	buy	buy



Within a parallel channel

Market Commentary :

Concerned over record low of new home sales in US and a possible threat to US economy posed by Europe debts problem, DJIA had on 23/6/2010 gained a marginal 4.92 points to close at 10,298.44.

The single-digit rise in Wall Street caused a minor dampening impact on Bursa Malaysia in the opening bell on 24/6/2010, FBM KLCI traded to a day high of **1,333.49** as some traders continued to play on buying side in anticipation of higher market. However, weak follow thru buying support in area of 1,333.49 prompted renewed selling interest to roll into the game, this pushed stock index down to a day low of 1,325.71 before settled at **1,325.87**.

The **fall** of **3.83** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **Sime Darby** (down RM0.03), **Tenaga** (down RM0.05), **CIMB** (down RM0.05), **Maybank** (down RM0.02) and **HL Bank** (down RM0.23).

What was the chart saying

Market kept its day low above 1,320 level yesterday (24/6/2010) despite traded down to a low of 1,318.52 level in the preceding day. This did not pose much of a surprise at all as the strong closing on 23/6/2010 somehow suggested the willingness on the part of traders to play on buying game.

Will this be an indication of more buying today (25/6/2010) ? What happened on 23/6/2010 was another follow thru of profit taking activity, and the down close on 24/6/2010 was again seen as a trading move to neutralize the 32 points rise on 18/6/2010 & 21/6/2010. The bears were still not buying the story on this market potential to go upward.

The upside gap left behind on 21/6/2010 remained unfilled at this moment despite a lower low scenario on 23/6/2010. **Will this upside gap be filled ?** The unfilled gap (high of 1,317.69 and low of 1,318.52 on 23/6/2010) was less than a point, and there would still be a possibility of market to close this gap.

An evaluation of what happened from 21/6/2010 to 23/6/2010 seemed to have indicated the availability of certain amount of market support to keep the market from severe decline, because the bulls that took the market to 1,335.31 (21/6/2010) were feeling good about what they had accomplished so far and would want to protect it as "hard" as possible. However, given the weak close on 24/6/2010, it would be of interesting to see how this market carry itself in the next 3 days for a clearer market picture.

Why did the market trade higher on 24/6/2010 ? There was an apparent change of human trading decision from sell to buy yesterday with an indication of willingness on the part of traders to take the chance to establish stock positions; but, the low buying confidence forewarned a cautious play in general.

Nevertheless, the shift in market psychology that took place on 18/6/2010 would likely to stay on as this kind of shift was not easy especially when bears had earlier on pushed the market down to a low of 1,243.86 on 27/5/2010. In other words, an unwinding of negative sentiment was seen in the making.

With the market traded higher than 1,313.88 to 1,332.50 on 21/6/2010, what would likely happen to the market now ? The higher high market scenario on 21/6/2010 was indeed a positive move to indicate something good to follow resistance pegged at 1,350 level with support at 1,310.

What were the strong hands doing

A check of internal market strength on 24/6/2010 showed that buying strength *improved* with strong hand(s) seen acquiring a portion of buying positions, the number of stock positions established on 24/6/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 16% from 17% in the preceding trading day (23/6/2010).

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 24/6/2010 revealed that buying power(s) was stronger compared to selling pressure(s), FBM KLCI would thus likely to trade above 1,333.49 after making attempt to go below 1,325.71.

Today's Hot Pick – **KNM**

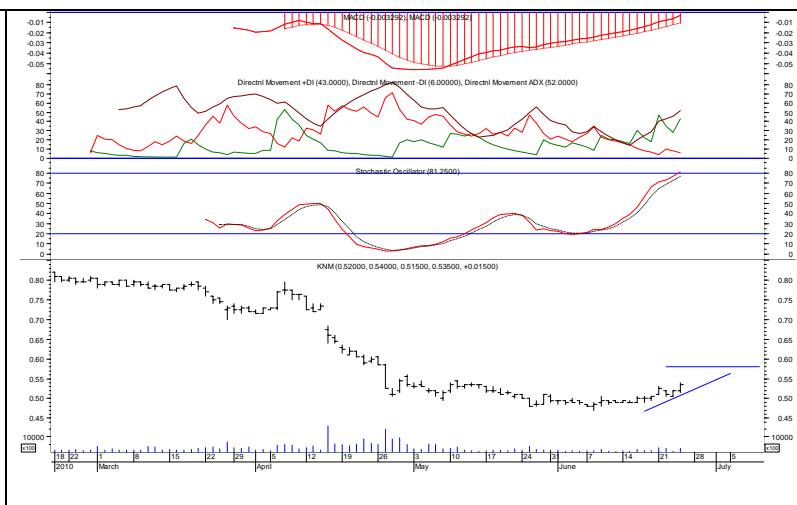
	24/6/2010	23/6/2010	
Open	0.52	0.505	
High	0.54	0.52	
Low	0.515	0.502	
Close	0.53	0.52	
Volume	351,799	59,539	
Indicators	24/6/2010	23/6/2010	
MACD	buy	buy	
DM index	buy	buy	
Stochastics	buy	buy	

Chart wise : *In position to go higher*

Having traded down to a low of RM0.47 on 8/6/2010, **KNM** (**7164** - MainBoard) had on 24/6/2010 crossed over the immediate high of **RM0.53** (21/6/2010) to a day high of **RM0.54** before settled at **RM0.53**.

Next Potential Upside Target : With the upside violation of **RM0.53** level, **KNM** looked set to trade upward with next upside target at **RM0.58**.

Entry Level : Risk taking traders may establish buying position at **RM0.52** as a small pull back is seen likely before making attempt(s) to go higher.

Stop Loss Level : Once a buying position is being established, a stop loss at **RM0.495** level must be placed for risk capital protection followed by a trailing stop loss strategy.

Current Active Stock Review – Faber

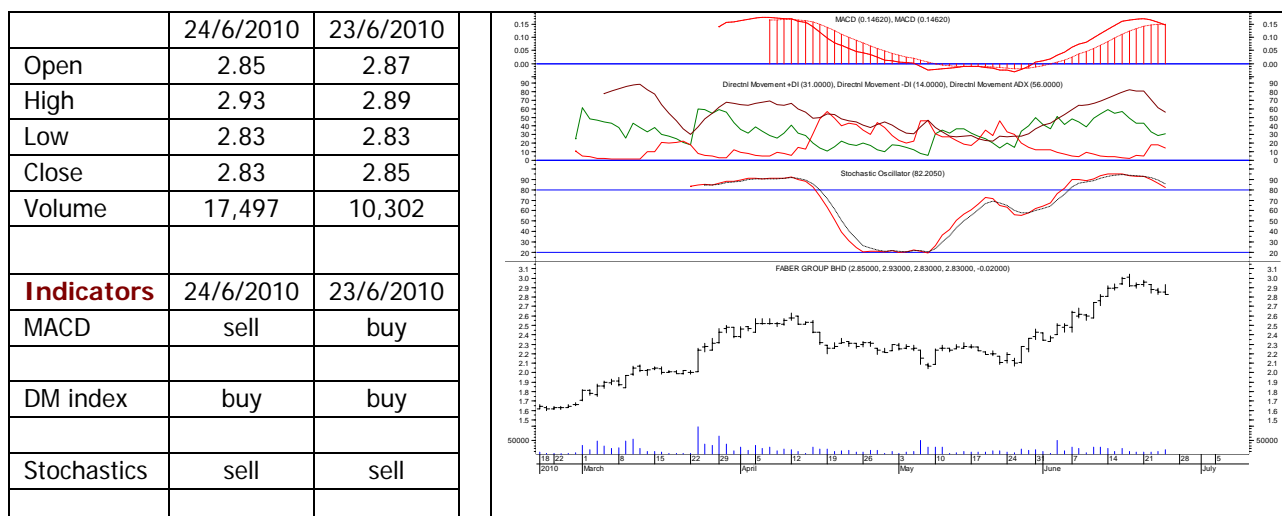


Chart wise : Resistance seen at RM3.00.....

Faber (1368 - MainBoard) had on 24/6/2010 traded higher a day high of RM2.93 before settled at day low of RM2.83.

Price Direction

In view of an increase in market participation, the stock could be expected to trade sideways with downside bias in coming day(s) with an overhead resistance pegged at RM3.00 and support at RM2.72.

What to watch for

A turnaround of prices to close below RM2.72 level would see an immediate short term reversing direction in the stock.

Active Stock Review – **Excel-Force MSC Bhd**



Chart wise

Hold.

EFORCE (0065-ACe Market-Technology) – RM0.735

Amidst the current market weakness, E-force is one of the top performer with sustained rising trend characterized by higher highs. Currently, it is trading at RM0.735 and it appears that the technical indicators are lining up to propel the share price into the next level after a brief correction.

The RSI and stochastic have hooked up while the MACD is about to crossover. Support is at RM0.70 and we expect the rising trend to be maintained into the medium to long term.

MAJOR NEWS

Commodity, Currency and Economic News

U.S. orders for computers and machinery climbed in May, showing gains in global business investment and demand that will give the U.S. economy a lift. Bookings for goods meant to last at least three years, excluding autos and aircraft, increased 0.9 percent, the third gain in the past four months, according to figures from the Commerce Department issued today in Washington. A report from the Labor Department showed the number of claims for jobless benefits last week hovered near this year's average. (Bloomberg)

The yen traded near a two-week high against the euro on speculation the global economic recovery is faltering, boosting demand for Japan's currency as a refuge. The US dollar headed for a third weekly loss versus the yen as reports this week showed a deterioration in the U.S. housing market, backing the case for the Federal Reserve to keep interest rates near zero. The euro was poised for its first five-day decline versus the pound since the period ended June 4 on prospects that European austerity measures will hinder growth. (Bloomberg)

Russia - a stronger ruble is inevitable and won't prompt the Russian government to impose capital controls, Deputy Finance Minister Dmitry Pankin said. The currency's appreciation is "a real problem" for Russia's economy because it cuts budget revenue, particularly from oil and gas sales priced in dollars, and makes it harder for Russian manufacturers to sell their goods abroad, Pankin said in an interview in London yesterday. (Bloomberg)

Taiwan's central bank unexpectedly raised its benchmark interest rate for the first time since 2008, joining Asian policy makers from China to Malaysia in signaling confidence the global recovery will withstand Europe's debt woes. Governor Perng Fai-nan and his board yesterday increased the discount rate on 10-day loans to banks to 1.375 percent from a record-low 1.25 percent, confounding the forecasts of all economists surveyed by Bloomberg News, who expected no change. The decision came five days after China, Taiwan's biggest trading partner, pledged to end a currency peg to the dollar, and after South Korean officials said risks to the economy are now balanced between inflation and threats to growth from Europe's crisis. The policy shifts also reflect Asia's role in leading the world rebound, and rising asset prices that could destabilize markets without monetary tightening to avert bubbles. (Bloomberg)

Prices on the **crude palm oil (CPO) futures** market closed firmer yesterday, bolstered by firm buying from overseas, particularly India and China, dealers said. The contract month July 2010 and October 2010 closed RM5 higher each to RM2,457 and RM2,380 per tonne respectively, while August 2010 added RM4 to RM2,413 per tonne and September 2010 gained RM6 to RM2,390 per tonne. Turnover declined to 12,431 lots from 13,938 lots on Wednesday, while open interests eased to 75,560 contracts from 76,705 previously. (BTimes)

The ringgit closed lower against the US dollar yesterday in tandem with regional currencies and following persistent doubts over the Euro zone economy, dealers said. The ringgit closed lower at 3.2370/2400 from 3.2310/2340 on Wednesday. However, the greenback was mixed against other major currencies after the US Federal Reserve decided to keep interest rates low. (BTimes)

Oil prices rose slightly Thursday, with demand still lackluster in the gradual economic recovery. Benchmark crude for August delivery added 16 cents to settle at US\$76.51 a barrel on the New York Mercantile Exchange. The Energy Information Administration said Wednesday that crude oil supplies increased by 2 million barrels last week, while analysts were expecting stockpiles to drop. Traders got more discouraging news when the government said new home sales dropped by a third to a record low last month. Oil had jumped from \$64 a barrel late last month on investor optimism that Europe's debt and fiscal woes wouldn't significantly slow the U.S. and global economic recovery. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10152.80	-145.64	-1.41	Nasdaq CI	2217.42	-36.81	-1.63
S&P 500	1073.69	-18.35	-1.68	FTSE 100	5100.23	-78.29	-1.51

Global and Local Headlines

U.S. stocks fell, sending the Standard & Poor's 500 Index to its longest losing streak in seven weeks, as banks dropped on concern over financial regulation and after the cost to protect from a Greek default surged to a record, while consumer shares retreated. Bank of America Corp. and JPMorgan Chase & Co. dropped more than 2.2 percent. Retailers slumped after Bed Bath & Beyond Inc., whose shares lost 5.6 percent, missed earnings estimates. Nike Inc. slid 4 percent as the athletic shoemaker's sales trailed projections. Dell Inc. declined 6.4 percent after its 2011 forecast disappointed some investors. (Bloomberg)

Australia's first PM, Julia Gillard began her job by promising to smooth relations with mining, its biggest industry. The 48-year-old Wales-born lawyer took office yesterday after ousting Kevin Rudd, whose slump in opinion polls threatened to make their Labor Party the nation's first one-term government in 80 years. Rudd stepped down rather than face a party vote. Gillard moved to fix two of Rudd's most unpopular decisions by pledging to revive the carbon-trading system he shelved in April and agreeing to open negotiations with the mining industry on a proposed tax increase that had sparked widespread protests among companies, workers and politicians, including members of Rudd's own party. (Bloomberg)

U.K. Prime Minister David Cameron is showing the way on fiscal austerity as he attends his first summit of world leaders today. Whether his path leads to recovery or another recession is driving a transatlantic dispute that will dominate the talks in Canada. Chastened by the Greek crisis, Cameron's six-week old government this week proposed Britain's biggest round of budget cuts since World War II to reduce a deficit worth 11 percent of gross domestic product, the largest in the Group of 20. European policy makers fear failure to patch up public finances now risks reviving a bond market selloff that required a bailout for Greece last month, while President Barack Obama says deficit reduction could hurt economic growth and employment. The U.K. presents a test case for G-20 politicians as they argue how quickly to act. (Bloomberg)

Agricultural Bank of China Ltd. may raise as much as US\$21.3 billion in an initial public offering that would test confidence in the nation's banking industry after record amounts of government-led lending. The bank is selling as much as \$11.4 billion of stock in the Hong Kong part of the sale, according to a filing to Japan's Ministry of Finance today. Should it price shares on sale in Shanghai at the same level, Agricultural Bank would raise a combined \$17.6 billion to \$21.3 billion. (Bloomberg)

South Korea's consumer confidence rose in June for a second month as the nation's economy strengthened and the jobs market improved. The sentiment index advanced to 112 from 111 in May, the Bank of Korea said in an e-mailed statement in Seoul today. The reading hit a seven-year high of 117 in October. A number exceeding 100 indicates optimists outnumber pessimists. (Bloomberg)

AirAsia Bhd is now in a much better position to consider paying dividends to its shareholders after solving some issues within the group, said group chief executive officer Datuk Seri Tony Fernandes. "Shareholders did ask about dividend payment at the meeting just now. "Having solved the uncertainty issues, we are now at the stage where the board will actively consider dividend payment," he said yesterday after AirAsia's AGM. (Star)

Kenmark Industrial Co (M) Bhd (KENMARK) says its local business units will be able to operate by next Friday. It told Bursa Malaysia yesterday for its printing and plastic moulding divisions, the company expected to be able to do a test run on its machines by next week after the missing parts were reassembled. "As for the trading operations, the marketing coordinator is trying to make contact with the end-buyers to resume operations," it said. (Star)

SapuraCrest Petroleum Bhd's (SAPCRE) net profit jumped 97.5% to RM50.7mil in the first quarter ended April 30 compared with RM25.7mil in the previous corresponding period, mainly due to higher contribution from installation of pipeline and facilities (IPF) activities and the drilling division. Its revenue was down 6.4% to RM670.4mil from RM716.2mil a year ago. SapuraCrest told Bursa Malaysia the lower revenue was mainly due to decreased activities in the drilling and marine services divisions, partially offset by the IPF division's higher revenue. (Star)

Gamuda Bhd (GAMUDA) registered a 57% growth in net profit to RM73mil for the third quarter ended April 30 compared with RM46.3mil in the previous corresponding period due to higher contributions from all divisions. However, it posted a 11.8% drop in revenue to RM511.2mil from RM579.4mil previously. Gamuda declared a second interim dividend of 6 sen per share less income tax at 25%. For the nine months to April 30, its net profit rose 35.7% to RM204.1mil from RM150.4mil a year earlier. Its revenue dropped to RM1.74bil from RM1.79bil. (Star)

Top Glove Corp Bhd (TOPGLOV) is eyeing to acquire small regional rubber glove companies this year while focusing on setting up one or two new plants each year, said chairman Tan Sri Lim Wee-Chai. "We are already in talks with several parties from Thailand, Indonesia and Malaysia but are still evaluating their prospects," he said. Lim was speaking to reporters after the company's briefing on its third-quarter financial year 2010 (Q310) results yesterday. (Star)

Mah Sing Group Bhd (MAHSING), the country's fifth largest property developer by revenue, plans to launch the "Icon City" in Selangor, its biggest commercial development thus far, which has a gross development value of over RM1.5 billion. The project, which will be developed in phases, is located on 7.93ha site in SS8, Sungei Way, a site formerly occupied by Matsushita Group of Co. Mah Sing had bought the land from Panasonic HA Air-Conditioning (M) Sdn Bhd for RM89 million or RM104.23 per sq ft. The deal was completed in March this year. (BTimes)

Petra Perdana Bhd (PETRA), an offshore marine services provider, will keep its 29.6 per cent stake in associate Petra Energy Bhd (PEB), as it accepts the latter's invitation to place its representatives on PEB board of directors. "We are happy and pleased with PEB's invitation to (place our representatives on) its board. We see this as a renewal of our alliance and a reinforcement of the synergy between Petra Perdana and PEB," Petra Perdana managing director Shamsul Saad said in a statement released after its extraordinary general meeting (EGM) in Petaling Jaya, Selangor, yesterday. (BTimes)

A fair takeover price for lender **EON Capital Bhd** (EONCAP) would be at least about RM6.18 billion, says its largest shareholder which is against a current RM5.06 billion bid by Hong Leong Bank Bhd. The price, which is understood to work out to RM8.91 a share, is 22 per cent higher than Hong Leong's offer of RM7.30 a share. Primus Pacific Partners, the shareholder which owns a 20.2 per cent stake, on Monday filed a lawsuit against all the board members of EONCap, except its own representative Ng Wing Fai, in an attempt to stave off Hong Leong's bid.