



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

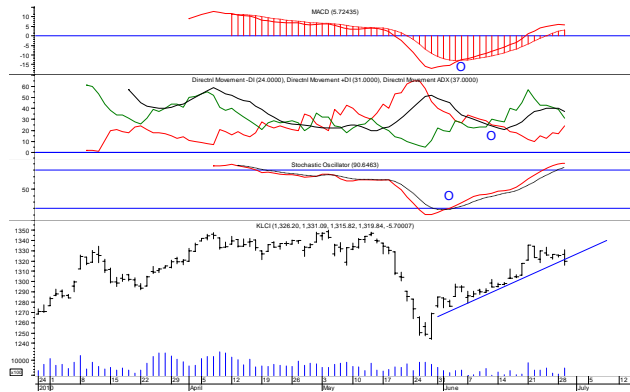
PENANG BRANCH
2nd Floor,
Std Chartered Bank,
2 Lebuhr Pantai,
10300 Penang.
Tel: 604-263 9118

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

MARKET FLASH

FBM KLCI

Wed, 30 Jun 2010



MARKET STATISTICS (29/6/10)

	Close	Chg.
LOCAL		
FBM KLCI	1,319.84	- 5.70
FBM 100	8,678.97	- 38.93
FBM ACE	3,783.20	- 50.98
Volume (m)	741.3	
Value (RMm)	1,059.4	
Up	175	
Down	514	
Unchanged	252	

FOREIGN

Nikkei	9,570.67	- 123.27
Hang Seng	20,209.97	- 516.71
STI	2,830.34	- 39.65
Shanghai CI	2,427.05	- 108.22

BURSA MOVERS

Gainers	Close	Chg
LMcement	6.79	+ 0.21
DFZ	3.48	+ 0.21
F & N	12.56	+0.16
Magni	1.17	+ 0.15
MMosaic	1.56	+ 0.14

Losers	Close	Chg
UMcca	8.88	- 0.42
Sinotop-OR	0.12	- 0.285
Genting	7.13	- 0.26
Panamy	17.90	- 0.22
Allianz	4.70	- 0.20

Actives	Close	Chg
Sinotop-OR	0.12	- 0.285
SAAG	0.08	- 0.005
Keuro	0.905	- 0.105
Kinlun	0.965	- 0.005
Talam	0.125	-

Today's Market Direction :

FBM KLCI would likely to trade **below** 1,315.82 level.

Market Buying Strength :

About **29%** of total market volume on 29/6/2010 was on buying side compared to **39%** in the preceding trading day.

"Movement" in Strong Hands :

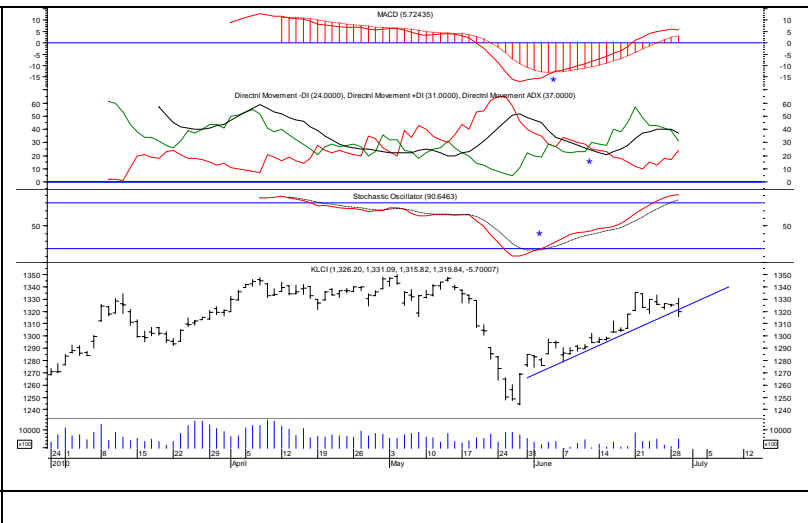
Strong hands were seen **acquiring** a portion of stock positions on 29/6/2010.

Pivot Point Studies for Intra-Day :

For Wednesday (**30/6/2010**), 1st resistance @ **1,328.6** & 2nd resistance @ **1,337.5** ; 1st support @ **1,313.4** & 2nd support @ **1,306.9**.

To read more

Technical Analysis – Daily FBM KLCI

	29/6/2010	28/6/2010	
Open	1,326.20	1,326.06	
High	1,331.09	1,326.06	
Low	1,315.82	1,323.62	
Close	1,319.84	1,325.54	
Volume	741.3 m	535.3 m	
Market Breadth			
Up	175	277	
Down	514	340	
Unchanged	252	241	
Indicators			
MACD	buy	buy	
DM Index	buy	buy	
Stochastics	buy	buy	

1,320 level was pierced down

Market Commentary :

Growing pessimism over US economy and news of Commerce Department on more savings than spending in May 2010 kept many investors at sideline, DJIA had on 28/6/2010 shed 5.29 points to close at 10,138.52

The single-digit drop in Wall Street did not create dampening effect on Bursa Malaysia in the opening bell on 29/6/2010, FBM KLCI traded into 1,330 zone with a day high of **1,331.09** as some traders chose to play on buying side. However, non-follow thru buying support in area of 1,331.09 prompted renewed selling interest to roll in, this pushed stock index down to break below 1,320 level to a day low of **1,315.82** before settled at **1,319.84**.

The **fall of 5.70** points in FBM KLCI was attributed to **selling** pressure in blue-chip counters such as **CIMB** (down RM0.01), **Tenaga Nasional** (down RM0.04), **IOI Corp** (down RM0.03), **HL Bank** (down RM0.05) and **Sime Darby** (down RM0.08).

What was the chart saying

Market broke below 1,320 level after pulling above 1,327 level into 1,330 zone yesterday (29/6/2010). The downside violation of 1,320 level on 29/6/2010 was not much of a surprise, because the creation of inside day bar on 28/6/2010 had indicated indecisive game among the traders, market could go either way, up or down. [Like what we had said in our marker report on 29/6/2010](#), this market would not look "healthy" if the stock index were to continue to drag its feet in such a lacklustre manner as this would create a higher tendency for traders to play a selling game.

Will this be an indication of more selling today (30/6/2010) ? What happened on 25/6/2010 was an attempt to keep the market afloat; however, the down close on 29/6/2010 had apparently “knocked” down the market defence at 1,320 level. The down close on 29/6/2010 was again seen another move to neutralize the 32 points rise on 18/6/2010 & 21/6/2010.

The upside gap left behind on 21/6/2010 was finally filled on 29/6/2010. The bulls that took the market to a day high of 1,335.31 (21/6/2010) were feeling good about what they had accomplished would have to surrender their market control to the bears until such time market take another reversal turn to carry the stock index above 1,336 level.

Why did the market trade higher on 29/6/2010 ? Market made the attempt to “breakaway”; but, it was a mere test to gauge the availability of buying power to the upside, and the higher high to 1,331.09 on 29/6/2010 turned out to be an opportunity for bears to unload.

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 29/6/2010 showed that buying strength *improved* with strong hand(s) seen acquiring a small portion of buying positions, the number of stock positions established on 29/6/2010 reduced the overall selling pressure that took place on 4/6/2010 and 7/6/2010 to 40% from 45% in the preceding trading day (28/6/2010).

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 29/6/2010 revealed that buying power(s) was weaker compared to selling pressure(s), FBM KLCI would thus likely to trade below 1,315.82.

Today's Hot Pick – EPIC

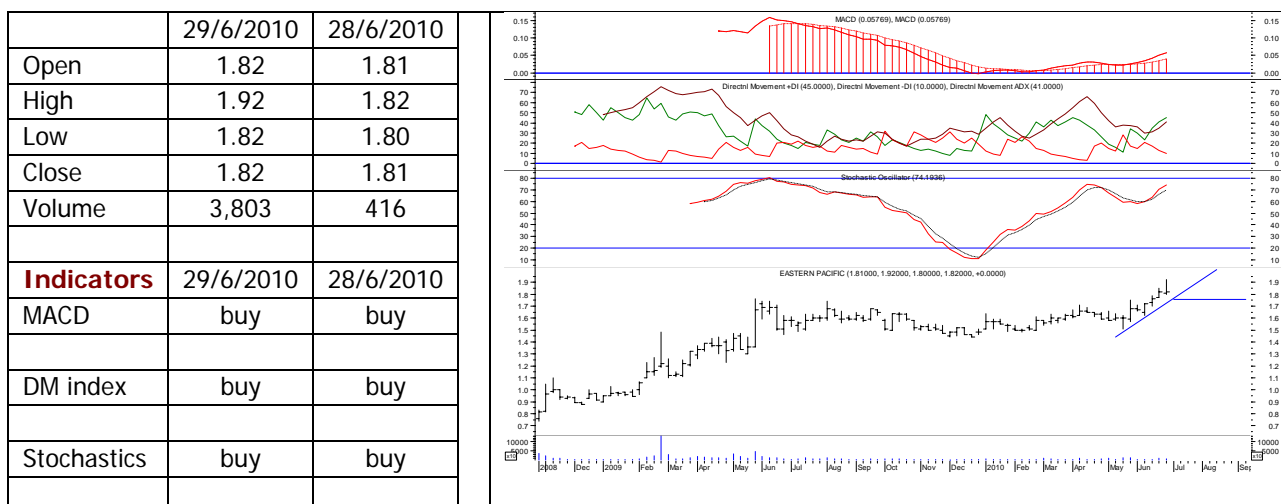


Chart wise : *Seen in position to test higher ground*

EPIC (8265 - MainBoard) had on 29/6/2010 crossed over the immediate high of **RM1.85** (21/6/2010) to a day **high of RM1.92** before settled at day low of **RM1.82**.

Next Potential Upside Target : An upside violation of **RM1.85 level** again would see **EPIC** to trade upward with next upside target at **RM2.05**.

Entry Level : Risk taking traders may establish buying position at **RM1.79** 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 **RM1.74 level** **must be placed** for risk capital protection followed by a **trailing stop loss** strategy.

Current Active Stock Review – Air Asia

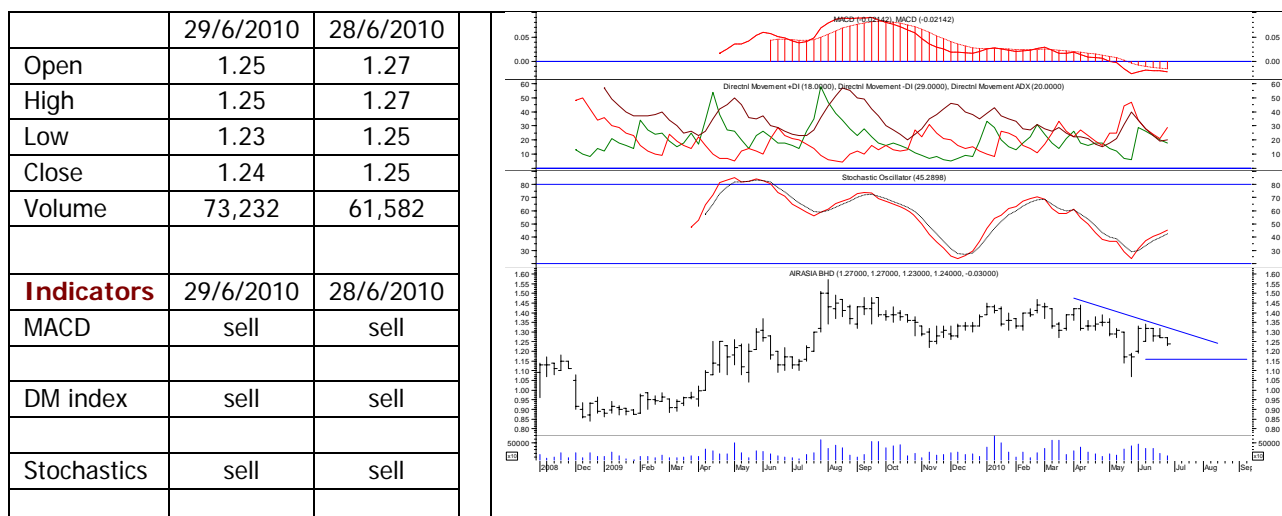


Chart wise : *Selling pressure still on*

Air Asia (5099 - MainBoard) had on 29/6/2010 broken below RM1.25 support to a low of **RM1.23** before settled at **RM1.24**.

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 **RM1.30** and support at **RM1.14**.

What to watch for

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

Active Stock Review – MK Land Bhd



Chart wise

Take profit.

MK Land Holdings Bhd (8893-Main Market-Properties)-31 sen

MK Land's candles have been on the rise for the past three-weeks. The recovery has allowed the candles to take out the downtrend line. Meanwhile, its momentum indicators have topped above their respective neutral lines and starting to weaken.

Therefore, the upside bias on the stock is disappearing and traders are advised to take profit on the stock. On the upside, the resistance is at 33.5 sen. The other support, meanwhile, is at 30 sen.

MAJOR NEWS

Commodity, Currency and Economic News

Confidence among **U.S. consumers** sank in June more than forecast as Americans became distressed over the outlook for jobs and incomes. The Conference Board's confidence index slumped to 52.9 this month, below the lowest forecast of economists surveyed by Bloomberg News, from a revised 62.7 in May, figures from the New York-based private research group showed today. Sentiment fell most in regions affected by the oil spill. Stocks plunged as the confidence data, combined with Conference Board figures showing China's economic outlook improved less than previously estimated, added to concern the global economy is slowing. Unemployment and the turmoil in financial markets precipitated by the European debt crisis raise the risk that household spending will falter. (Bloomberg)

The yen traded near the strongest level in more than eight years against the euro as signs the recovery of economies in the U.S. and China is slowing boosted demand for safer assets. The yen was close to the highest in almost eight weeks against the dollar as reports are forecast to show U.S. business activity expanded at a weaker pace and China's manufacturing growth slowed. The euro headed for a quarterly decline against 15 of its 16 major counterparts on prospects European banks will face higher rates when they refinance central-bank loans. (Bloomberg)

The ringgit closed lower against the US dollar yesterday as the greenback rebounded against major currencies after hitting a five-week low, dealers said. They said that weaknesses in the regional markets due to lingering doubts on the pace of global economic recovery also weighed down on sentiment in the currency markets. At close, the ringgit depreciated to 3.2470/2500 to the US dollar from 3.2190/2230 Monday. (BTimes)

CPO futures posted the biggest drop in eight days yesterday as crude oil slumped and soybeans declined, reducing demand for the tropical commodity used in food and biofuels. The September-delivery contract fell as much as 1.5 per cent to RM2,363 a metric ton on the Malaysia Derivatives Exchange. Palm oil has fallen about 7.3 per cent this quarter on forecasts for record output of world oilseed crops and was at RM2,367 at 4.05 pm. Crude oil in New York slumped 2 per cent to US\$76.67 a barrel in European trading on concerns slower economic growth may curb energy demand and skepticism that production from Gulf of Mexico wells will be disrupted by a tropical storm. November-delivery soybeans in Chicago fell 0.3 per cent to US\$9.16 a bushel. Corn for December delivery in Chicago declined 0.4 per cent to US\$3.515 a bushel, falling for the seventh straight day, the longest slump since March. Vegetable oils oil often track crude oil movements as it can be used in biofuels. (BTimes)

Oil prices plummeted Tuesday as ebbing consumer confidence in the economic recovery set off concerns about gasoline demand for the busy summer season. Benchmark crude oil fell US\$2.31, or 3 percent, to settle at \$75.94 on the New York Mercantile Exchange. Gasoline and other energy prices also retreated. Prices earlier fell in Asia on concerns of an economic slowdown in China. The selling picked up steam in New York after a closely watched measure of consumers' sentiment about the economy had its sharpest decline since February. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	9870.30	-268.22	-2.65	Nasdaq CI	2135.18	-85.47	-3.85
S&P 500	1041.24	-33.33	-3.10	FTSE 100	4914.22	-157.46	-3.10

Global and Local Headlines

Stocks sank from Shanghai to New York, with the MSCI World Index losing the most in 14 months, and two-year Treasury yields slid to a record low on concern over weakening growth in China and a slump in U.S. consumer confidence. The euro fell to an eight-year low versus the yen. The MSCI World Index of 24 developed nations lost 3.2 percent, its biggest retreat since April 2009, as of 4 p.m. in New York. The Standard & Poor's 500 Index slid 3.1 percent to 1,041.24, its lowest close since October, as 499 of its stocks declined. The Shanghai Composite Index tumbled 4.3 percent. The benchmark 2012 Treasury note yield slid as low as 0.5857 percent and the 10-year yield sank below 3 percent for the first time in 14 months. Oil and copper slumped at least 3 percent. (Bloomberg)

Japanese stocks plunged, sending benchmark indexes to their lowest levels in seven months, after a measure of U.S. consumer confidence fell more than analysts forecast. Honda Motor Co., a carmaker that gets more than 80 percent of its sales abroad, lost 2.5 percent. Canon Inc., a camera maker that counts Europe as its biggest market, tumbled 3.4 percent as the yen strengthened. Mitsubishi Corp., Japan's largest commodities trader, sank 2.4 percent after commodity prices slumped. (Bloomberg)

The health of **Europe's banks** may be exposed today when the European Central Bank offers them three-month loans before a landmark 12-month facility has to be paid back. Banks tomorrow need to repay 442 billion euros (US\$540 billion), the biggest amount ever awarded by the ECB and a key plank in its efforts to fight the financial crisis last year. Demand for three-month cash today will highlight how much banks still rely on the ECB for funding, investors and economists said. The ECB will announce how much money banks have asked for at about 11:15 a.m. in Frankfurt. (Bloomberg)

The U.S. House will try again tomorrow to pass a bill extending unemployment benefits after a measure to do so was blocked today because of its cost. The vote on the US\$33 billion measure was 261 in favour and 155 against, with a two-thirds majority needed for passage under the expedited procedure used by Democratic leaders to limit debate. House Republican leaders urged opposition to the bill because it lacked provisions to pay for its cost. Voting no were 139 Republicans and 16 Democrats; the measure was supported by 231 Democrats and 30 Republicans. The bill would continue jobless aid through November, with benefits provided retroactively to the more than 1 million Americans whose weekly checks have been stopped during recent congressional dicker over a larger bill that included restoration of the aid. (Bloomberg)

Property developer **Glomac Bhd's** (GLOMAC) net profit in the last quarter ended Apr 30 almost doubled to RM12.4mil from RM6.9mil a year ago on higher property sales and fair value gains on certain buildings held for investments. The improved performance boosted its full year (FY10) net profit to RM40.7mil, up 27% from RM32mil in FY09. Full year revenue declined to RM318mil from RM345mil previously. Glomac has proposed a final gross dividend of 4.5 sen a share, bringing its total payout for the year to 8.5 sen a share. (Star)

Linear Corp Bhd (LINEAR) former director Alan Rajendram has transferred the group's RM36mil cash reserve twice to Global Investment Group Inc (GIG) of Seychelles, according to Linear Corp executive director Mervin Nevis. Nevis told a press conference after an AGM yesterday that Rajendram had transferred the RM36mil to GIG the first time on Dec 29, 2009. "He informed the board after the money was transferred. In February 2010, our auditors advised GIG to return the money, which the latter followed through. "Subsequently the board gave instruction that the money cannot be released to GIG without full approval of the board." However, Nevis said, Rajendram transferred out the RM36mil once more in April without notifying the board. (Star)

Multi-Purpose Holdings Bhd (MPHB) will be announcing its joint venture (JV) with a public-listed developer in the next several weeks to mark its entry into the property development sector. MPHB is known for its gaming business from which it generates about half of its profit via 51%-owned Magnum Corp, one of Peninsular Malaysia's three legal number forecast operators, Managing director Datuk Lau Kim Khoon @ Surin Upatkoon said the group was entering the property development sector in order to have an additional income stream and "to build a sustainable recurring income model." (Star)

Haisan Resources Bhd (HAISAN) has received a letter of demand from Messrs Zul Rafique & Partners acting for CapOne Bhd and Malaysian Trustees Bhd (MTB) for a sum of RM42.2mil. The sum included the principal sum (of RM40mil), interest accrued and default interest from an unsecured fixed rate term loan facility, Haisan said in a filing with Bursa Malaysia yesterday. The company and its wholly-owned subsidiaries also received three letters of demand for the repayment of principal and interest in respect of the banking facilities granted by financial institutions, namely CIMB Bank Bhd, Public Bank Bhd and CapOne Bhd. (Star)

Kencana Petroleum Bhd (KENCANA) said its unit Kencana HL Sdn Bhd has won a RM33.9 million order from Petronas Carigali Sdn Bhd (PCSB) to supply the Kanowit CPP platform in offshore Sabah. The work order is part of the contract from PCSB for the provision of hook-up and commissioning service of its facilities from 2007 to 2010. Work is due to be done by November 2010. (BTimes)

Sunway Holdings Bhd (SUNWAY) expects a record net profit this year, driven by new business and healthier margins from all its five core divisions, managing director Yau Kok Seng said. These include construction, property development, trading and manufacturing, quarry and building materials. The construction division, which has RM3 billion worth of jobs in hand, is bidding for more infrastructure and building projects worth RM16 billion in Malaysia, Abu Dhabi, India and Singapore. "We hope to get minimum RM1 billion worth of new contracts this year, maintaining our order book at RM3 billion," he told reporters yesterday after a shareholders' meeting in Bandar Sunway, Selangor. (BTimes)

MTD Capital Bhd (MTD), the country's second largest highway operator, has been buying its own shares from the open market as it feels they are undervalued, said its managing director Datuk Azmil Khalid. "The share buyback thus far is reflective of the board and management's assessment of the company's valuation," Azmil told Business Times. (BTimes)