



Mercury Securities Sdn. Bhd.(113193-W)

(A Participating Organisation of Bursa Malaysia)

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MARKET FLASH

Friday, 29 April 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1519

Resistance : 1570

Bias : Consolidation

The index closed near its intra-day high of 1535.30 after holding on to its opening strength, indicating underlying market strength and momentum. It has managed to stay above the 1530 level. For now, the resistances are still at 1540 and 1570 point levels. The 50-day SMA level of 1520 points remained the key primary support.

COMMENTARY

Regional rebound spill over ... In line with regional markets, the market rebounded sharply during the early part of the day. Intraday oil prices also took a breather that helped in the rebound process. However, the concerns over oil prices and its impact on inflation is not over yet. The broader market was mixed as the underlying sentiment remains uncertain. As a result, losers still have the upper hand while the trading volume continued to soften.

Rebound and closed near intra-day high... Several index-linked counters bounced back while several lower liners also participated in the upswing momentum. Moreover, if external factors stabilizes, the prospects of further recovery are good.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,535.30	5.39
Volume (m)	924	
Value (RMm)	1,401	
Up	360	
Down	381	
Unchanged	333	
FOREIGN		
Nikkei	9849.74	157.90
Hang Seng	23805.63	(87.21)
STI	3184.99	2.31
Shanghai CI	2887.04	(38.36)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
BAT	48.00	0.72
FLBhd	1.18	0.58
HILFG	9.90	0.38
F&N	17.64	0.34
PPB	16.94	0.26

Losers	Close(RM)	Chg(RM)
UtdPlt	17.80	(0.20)
UMS	1.61	(0.17)
AEON	6.00	(0.17)
BHIC	4.50	(0.15)
HLind	3.90	(0.15)

Actives	Close (RM)	Chg(RM)
FLBhd	1.18	0.58
HubLine	0.145	(0.01)
E&O	1.42	0.07
Connect	0.09	0.02
Ramunia-WA	0.505	(0.015)

Current Stock Review

Hold – Wah Seong Corporation Bhd.



Chart wise:

Wah Seong Corporation Bhd (5142) – Industrial Products – RM2.24

Wah Seong is not only making a recovery, but is on the rise after Thursday's push saw the candle taking out the RM2.20 levels. Its momentum indicators shot up as a result of the upsurge and are still rising. Collectively, the above are positive signals and points to more short-term upsides.

For the time being, the RM2.30 will prove to be a formidable resistance to clear, but if it fails to clear, then the stock reverts to a neutral outlook. On the other hand, if it is cleared, then the stock is a trading buy.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives rebounded to close higher yesterday in line with the uptrend on the Dalian Commodity Exchange, a dealer said. Meanwhile, Interband Group of Companies senior palm oil trader Jim Teh said although the volume was lower, the prices had increased as the market was influenced by the speculators' speculative playing. The CPO May contract was up RM21 to RM3,391 per tonne, June and July rose RM16 each to RM3,321 and RM3,293 per tonne respectively, while August was up RM17 to RM3,280 per tonne. Turnover dwindled to 16,873 lots from 18,734 lots on Wednesday while open interest was down to 106,039 contracts from 107,114 contracts previously. (BTimes)

The ringgit advanced against the US dollar for a seventh consecutive day, its longest stretch of gains in a year, to close at 2.9647/9667 from Wednesday's 2.9780/9801, dealers said. The ringgit extended its rally mostly due to the weakening US dollar as it fell further following the Federal Reserve's decision to keep US interest rates low. Against other major currencies, the ringgit was traded mixed, appreciating against the Singapore dollar to 2.4144/4180 from 2.4156/4179, as well as against the Japanese yen to 3.6354/ 6392 from 3.6397/6432 previously. The ringgit, however, depreciated against the British pound to 4.9460/ 9502 from 4.9328/9371 and also against the euro to 4.4020/4058 from 4.3738/3778 on Wednesday. (BTimes)

Gold hit record highs yesterday as the dollar's three-year low against a basket of major currencies attracted non-US investors, after the United States signalled it would retain accommodative monetary policy. Spot gold ascended to a lifetime high of US\$1,534.30 an ounce, breaking records for the second straight session. It traded at US\$1,530.54 an ounce at 1116 GMT, up from US\$1,526.40 late in New York on Wednesday. US gold futures also hit an all-time high at US\$1,535.1 an ounce (US\$1 = RM2.96). (BTimes)

The U.S. economy slowed more than forecast in the first quarter as government spending declined by the most since 1983 and household purchases cooled. Gross domestic product rose at a 1.8 percent annual rate from January through March after a 3.1 percent pace in the final three months of 2010, the Commerce Department said today in Washington. Economists projected 2 percent growth, according to the median estimate in a Bloomberg News survey. Another report showed rising gasoline prices depressed consumer confidence last week. (Bloomberg)

Oil rose to nearly US\$114 a barrel in volatile trading Thursday, pushed higher by a weaker dollar, before giving up most of its early gains. Benchmark West Texas Intermediate crude added 10 cents to settle at \$112.86 per barrel on the New York Mercantile Exchange after rising as high as \$113.97. In London, Brent crude fell 11 cents to settle at \$125.02 on the ICE Futures exchange. The dollar recovered some ground after hitting a 16-month low against the euro on Thursday. Oil generally rises as the dollar falls, because crude is priced in dollars and becomes more appealing to buyers with foreign currencies as the dollar weakens. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12763.30	72.35	0.57	Nasdaq CI	2872.53	2.65	0.09
S&P 500	1360.48	4.82	0.36	FTSE 100	6069.90	1.74	0.03

Global and Local Headlines

Australian stock futures rose after the price of crude oil climbed to a 31-month high and better-than-estimated corporate earnings in the U.S. tempered investors' concern over slowing global economic growth. Rio Tinto Group, the world's second-biggest mining company by sales, gained 0.6 percent in London trading yesterday as a measure of primary metals gained 0.3 percent. BHP Billiton Ltd., the largest global miner, advanced 0.8 percent in London. Woodside Petroleum Ltd. (WPL), Australia's second-biggest oil and gas producer, may advance on rising oil prices. Australia's S&P/ASX 200 Index futures contract due in June gained 0.2 percent to 4,882 as of 6:59 a.m. in Sydney. New Zealand's NZX 50 Index (NZSE50FG) increased 0.3 percent today. Japanese markets are closed for a public holiday. (Bloomberg)

Macquarie Group Ltd. (MOG), Australia's biggest investment bank, said second-half profit fell less than it forecast as commodities and equities trading picked up and dealmaking increased. Net income declined to A\$553 million (US\$605 million) in the six months ended March 31 from A\$571 million a year ago, the Sydney-based bank said today. That compares with the bank's February forecast of about A\$542 million for the period, and the median estimate of eight analysts surveyed by Bloomberg News of A\$544 million. Chief Executive Officer Nicholas Moore joins Wall Street rivals including Goldman Sachs Group Inc. and Credit Suisse Group AG in reporting a drop in earnings. Moore, who expanded into new products and markets following the financial crisis, forecast an improved performance in the current fiscal year in its mergers and acquisitions and equities trading businesses. (Bloomberg)

Research In Motion Ltd. (RIMM), facing intensifying competition from Apple Inc. (AAPL) and Google Inc. (GOOG), plunged in late trading after cutting profit forecasts on slower-than-expected demand for BlackBerry smartphones. Profit this quarter will be US\$1.30 to \$1.37 a share, Waterloo, Ontario-based RIM said today in a statement. The company last month forecast profit of \$1.47 to \$1.55 a share. Sales in the quarter ending May 28 will be "slightly below" the \$5.2 billion to \$5.6 billion the company had forecast. RIM said BlackBerry shipments will be at the lower end of the range of 13.5 million to 14.5 million it projected last month, and the mix of devices will shift toward cheaper models. (Bloomberg)

The Bank of Japan raised its growth forecast for next year on optimism the economy will bounce back on reconstruction work and restored power supplies after factory output dropped by a record in March. The world's third-largest economy will expand 2.9 percent in the year starting April 2012, the central bank said yesterday. It more than halved its prediction for this fiscal year to 0.6 percent after the March 11 earthquake. Governor Masaaki Shirakawa and his board yesterday rejected a call by one of his deputies for additional asset purchases to spur growth as they assess the effects of the central bank's existing stimulus. Companies from All Nippon Airways Co. to Panasonic Corp. have delayed profit forecasts after the economy took a bigger-than-estimated hit in March and as analysts predict a contraction this quarter. (Bloomberg)

The suit by Primus Pacific Partners Ltd's Malaysian unit against certain shareholders and directors of **EON Capital Bhd** (EONCAP) over the proposed sale of the latter to Hong Leong Bank Bhd (HLB) has been dismissed with costs. In his 100-page decision which took about one-and-a-half hours to deliver, Judicial Commissioner Varghese George Varughese held that petitioner Primus (M) Sdn Bhd had failed to prove the so-called complaints that formed the foundation of the petition against nine board members of EON Cap and three entities controlled by Rin Kei Mei and Tan Sri Tiong Hiew King, who are the shareholders in the banking group. He also ruled that the petitioner was not entitled to any relief sought. (Star)

The number of interested parties in Abu Dhabi Commercial Bank's block in **RHB Capital Bhd** (RHBCAP) will be shortlisted to six by middle of next month, sources said. So far, 15 banks and private equity firms have shown interest in the 25% stake, the sources said. Speculation was rife that the suitors included banks from China. However, there is no conclusion yet as to who the ultimate buyer would be. So far, China banks have shown very little interest in the block, the sources told StarBiz. (Star)

Sabah-based plywood, veneer and laminated veneer lumber (LVL) manufacturer **Focus Lumber Bhd** (FLBHD), which made its debut on the Main Market of Bursa Malaysia yesterday, was the most actively traded stock and closed with a 97% premium at RM1.18. Its share price gained 58 sen with 40.29 million shares changing hands. Its initial public offering price was 60 sen. The company said its business growth would be driven by the continuous demand in the global market for plywood due to its widespread usage. (Star)

Exxon made almost US\$11 billion and practically apologized for it. Sensing public outrage over gasoline prices that have topped \$4 in some states, the company struck a defensive posture Thursday after posting some of its best quarterly financial results ever. Exxon said it had no control over high oil prices. It said it's one of the biggest taxpayers in the United States. It cast federal subsidies as "legitimate tax provisions" that keep jobs at home, and cast itself as a victim of Washington scapegoating. What's more, the company argued, it doesn't even make that much money selling gasoline. Exxon's profit of \$10.65 billion for the first quarter was its highest since it made \$14.83 billion in the third quarter of 2008, a record for a publicly traded company. The first-quarter results were also the best among the big oil companies, which have reported improved results this week. (Star)

Microsoft Corp's latest quarterly earnings rose 31 percent even as sales of its Windows operating system sagged. The fiscal third-quarter results released Thursday exceeded analyst estimates. Still, it marks the second straight quarter that revenue in Microsoft's Windows division has dropped from the previous year. That may heighten investor worries that Microsoft's lucrative franchise of licensing software for personal computers may be heading into a gradual decline. The company faces threats from the iPad and other tablet computers that rely on rival operating systems made by Apple Inc. and Google Inc. (Star)

Silver Bird Group Bhd (SILVER) does not plan to reduce or increase prices of its bread for now amid rising flour production and material costs worldwide. Group managing director Datuk Jackson Tan Han Kook said it is impossible to reduce the prices because other material costs such as packaging have been on the rise. "The answer on whether we are going to reduce our bread prices is a no. At the moment, we also cannot comment if we want to increase the prices soon," Tan told reporters after its annual general meeting here yesterday. Tan is confident that the company will be able to sustain growth this year but did not give much details. "For this year, we are confident that we can do better than last year," he said. (BTimes)

Poultry firm **Emivest Bhd** (EMIVEST) yesterday said it had signed a sale of business agreement with Emerging Glory Sdn Bhd to set out terms and conditions of its proposed sale to the latter for some RM108 million. Emivest also sealed a memorandum of understanding with shareholders of Stenta Films (M) Sdn Bhd to buy the latter for RM123 million. The vendors are Rentak Rimbun Sdn Bhd, Ngoei Boon Liong and P.T. Argha Karya Prima Industry. Stenta manufactures and sells packaging materials. (BTimes)

Japanese consumer electronics giant **Panasonic Corp** said yesterday it would cut another 17,000 jobs and close up to 70 factories around the world over the next two years in a bid to pare costs and keep up with Asian rivals. The maker of Viera TVs and Lumix cameras said it was aiming to trim its workforce of 367,000 at the end of last month to 350,000 by March 2013. The cull comes on top of nearly 18,000 job cuts made in the past business year, for a total of around 35,000 over three years. (BTimes)