



Mercury Securities Sdn. Bhd. (113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office

Wisma Umno
Lorong Bagan Luar 2
12000 Butterworth
Seberang Perai
Tel: 04-3322123

KL Branch

L-7-2, No.2 Jln Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Tel: 03-62037227

Melaka Branch

No 81B & 83B
Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06-2921898

Penang Branch

2nd Floor
Std Chartered Bank
2 Lebuh Pantai
10300 Penang
Tel: 04-2639118

Johor Branch

Suite 17.1 Level 17
Menara Pelangi
Tmn Pelangi
80400 Johor Bahru
Tel: 07-3316992

MARKET FLASH

Thursday, 14 April 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1518 Resistance : 1570
Bias : Consolidation

The index closed above its crucial 1530 points level after retracing back from its intra day high of 1539.70. In the meantime, its core indicators are still weak. Hence, trading is expected to be cautious due to the weak technical position.

COMMENTARY

Regional rebound spill over ... In line with regional markets, the market rebounded sharply during the mid part of the day to regain part of losses sustained earlier. Several index-linked counters bounced back from oversold positions while several lower liners also participated in the upswing momentum. Oil prices also took a breather that helped in the rebound process. Although the market gained ground, there was little difference in traded volumes, which remained modest and in line with its recent daily averages.

Weak rebound ... Despite the rebound, the index is still trading within the down trending channel and below the 5-day and 10-day moving averages. A failure to break free from the current channel will have adverse consequences by affecting market sentiment that had begun to unravel on unfavorable developments.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,535.59	9.67
Volume (m)	1,174	
Value (RMm)	1,672	
Up	610	
Down	204	
Unchanged	265	
FOREIGN		
Nikkei	9641.18	85.92
Hang Seng	24135.03	158.66
STI	3172.08	34.08
Shanghai CI	3050.40	29.03

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
BAT	48.00	0.56
Pchem	7.36	0.31
Nestle	48.00	0.20
Shell	11.08	0.18
HLBank	10.58	0.18
Losers		
PetDag	16.20	(0.12)
HoHup	0.69	(0.09)
Topglov	4.96	(0.09)
SHL	1.45	(0.08)
Hapseng	5.93	(0.07)
Actives		
Digista	0.37	0.00
YtlLand-CA	0.13	(0.02)
E & O	1.26	0.09
Perisai	0.83	0.015
HWGB	0.71	0.025

Current Stock Review

Trading buy – **Mulpha International Bhd.**



Chart wise:

Mulpha International Bhd (3905) – Trading/services – RM0.55.

The share price is recovering after a prolonged consolidation and it had also broken through the previous overhead resistance line. At the same time, the share price had also penetrated the key moving averages, but currently undergoing a mild pullback. Current resistance is at RM0.59 and if this level is broken, the next target is RM0.62.

Its RSI indicators are also rising in tandem with the short-term moving averages. Overall, the technical outlook is positive for Mulpha to test higher levels over the medium term. A Trading buy on Mulpha is recommended as it is embarking on an uptrend.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit closed higher against the US dollar yesterday in anticipation of rising inflation which will, in turn, pressure Bank Negara Malaysia to tighten its monetary policy. The ringgit rose against the US dollar at 3.0220/0245 from 3.0270/0300 yesterday. Meanwhile, the Singapore dollar trimmed earlier advances, ahead of the Monetary Authority of Singapore's meeting tomorrow (today). The ringgit gained against the Singapore dollar at 2.4053/4088 from 2.4070/4099 but dipped against the Japanese yen to 3.5980/6019 from 3.5912/5964. The local currency was firmer against the British pound at 4.9150/9200 from 4.9186/9244 but eased against the euro at 4.3807/3849 from 4.3725/3774 previously. (BTimes)

Crude palm oil (CPO) futures prices closed lower yesterday amid expectations of increased production in the upcoming months, a dealer said. He said the prices were also easier in line with the downtrend in crude oil and soyabean prices in the global market. April was down RM35 at RM3,385 a tonne, May 2011 shed RM27 to RM3,370, June lost RM25 to RM3,348 and July eased RM45 to RM3,327. Turnover went down to 25,256 lots from 31,116 lots yesterday, while open interest increased to 102,071 contracts from 101,855 contracts previously. (BTimes)

The Australian and New Zealand dollars fell against most of their major counterparts amid renewed concerns that Europe's sovereign-debt crisis may be prolonged, damping demand for higher-yielding assets. The New Zealand dollar dropped for the first time in three days after a report showed the nation's manufacturing industry expanded at a slower pace in March. The Australian dollar retreated from near a record high after Germany's Zeit newspaper reported that a restructuring of Greek sovereign debt may involve imposing losses of 50 to 70 percent on investors. The Australian dollar declined to 87.84 yen as of 9:49 a.m. in Sydney from 88.08 yen in New York yesterday. The so-called Aussie was at \$1.0493 from \$1.0507, after touching \$1.0584 on April 8, the highest since it was freely floated in 1983. The New Zealand dollar weakened 0.3 percent to 65.99 yen and slipped 0.1 percent to 78.83 U.S. cents. (Bloomberg)

Oil traded near a two-day high in New York after a U.S. government report showed gasoline supplies plunged the most in 12 years in the world's biggest crude-consuming nation as demand climbed and refineries idled units. Futures advanced 0.8 percent yesterday after the Energy Department said stockpiles fell 7 million barrels last week to 209.7 million, the most since Oct. 9, 1998. Inventories were forecast to decline 1 million barrels, according to analysts surveyed by Bloomberg News. Consumption of the fuel climbed the most in more than five months. Crude for May delivery traded at \$107.32 a barrel, up 21 cents, in electronic trading on the New York Mercantile Exchange at 9:40 a.m. Sydney time. Yesterday, the contract rose 86 cents to \$107.11 a barrel, the highest settlement since April 11. Prices are up 25 percent from a year ago. (Bloomberg)

The US dollar held yesterday's advance against the euro before reports economists said will show fewer Americans filed for unemployment benefits, indicating the labor market is recovering. The greenback yesterday advanced from its lowest level in 15 months as President Barack Obama vowed to cut US\$4 trillion in cumulative deficits within 12 years. The yen rose against most of its major peers on speculation declines in equities and commodities this week have increased demand for safer assets. "The dollar weakness story has just about run its course for this week," said Tony Allen, global head of foreign- exchange trading in Sydney at Australia & New Zealand Banking Group Ltd., the nation's third-largest lender by market capitalization. The dollar traded at \$1.4444 versus the euro at 8:34 a.m. in Tokyo, from \$1.4443 yesterday, when it slid to \$1.4520, matching the weakest level since January 2010. The greenback fetched 83.74 yen from 83.84. The euro declined to 120.95 yen from 121.08 yen. (Bloomberg)

Sales at U.S. retailers rose in March for a ninth consecutive month, easing concern that the jump in food and fuel costs would cause consumers to retrench. Purchases increased 0.4 percent following a 1.1 percent February gain that was larger than previously estimated, Commerce Department figures showed today in Washington. A report from the Labor Department showed job openings in February jumped by the most in six years. Declining unemployment and a cut in payroll taxes for 2011 are helping sustain sales at chains like Macy's Inc. (M) and Saks Inc. (SKS) At the same time, mounting gasoline and grocery bills are eroding confidence and straining paychecks, making it likely consumer spending, the biggest part of the economy, cooled in the first quarter from the final three months of 2010. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12271.00	7.41	0.06	Nasdaq CI	2761.52	16.73	0.61
S&P 500	1314.41	0.25	0.02	FTSE 100	6010.44	45.97	0.77

Global and Local Headlines

Singapore's economy grew at the fastest pace in three quarters, an expansion that prompted the central bank to tighten its monetary policy. The country's currency rose to a record. Gross domestic product rose at an annual rate of 23.5 percent last quarter from the previous three months, when it climbed 3.9 percent, the trade ministry said in a statement today. That compares with the 11.4 percent median estimate in a Bloomberg News survey of economists. The central bank said separately it will re-center the exchange rate policy band upwards. Asian central banks are raising interest rates, removing excess cash from their financial systems or allowing their currencies to appreciate as rising oil and commodity prices fuel inflation. The Singapore dollar rose to its highest level on record as the economy extends its expansion after last year's unprecedented growth rate. (Bloomberg)

The Federal Reserve said the economy expanded at a “moderate” pace across much of the U.S. in February and March, led by manufacturing, with labor markets showing improvements in most regions. “While many districts described the improvements as only moderate, most districts stated that gains were widespread across sectors,” the Fed said today in its Beige Book report in Washington. While higher commodity costs compelled sellers to try to raise prices, pressures to increase wages were “weak or subdued.” The report may reinforce views this month from Chairman Ben S. Bernanke’s top two lieutenants, Janet Yellen and William C. Dudley, that the economy is recovering without enough strength to warrant withdrawing record monetary stimulus. The Fed, while keeping the benchmark interest rate close to zero since 2008, is aiming to boost growth by completing US\$600 billion of Treasury purchases through June. (Bloomberg)

Bank Negara Malaysia will issue transaction alerts via short messaging service by Jan 1, 2012 in a bid to curb credit card fraud. An official from Bank Negara said card holders could respond to the SMS after a transaction was performed. “If the transaction is not made by them, they can call the bank to cancel it and alert the police,” she told Bernama yesterday. She said Bank Negara and banks throughout the country would continue to improve the security of credit cards. “The main issue is to enhance security of the credit cards and not the mechanism of delivering them,” she said, when asked about steps taken by the central bank to curb rising credit card fraud. (Star)

Alam Maritim Resources Bhd’s (ALAM) wholly owned subsidiary Alam Maritim (M) Sdn Bhd has secured a RM24.24mil contract to supply two vessels from an independent oil and gas exploration and production company. AMRB told Bursa Malaysia that its subsidiary received a letter of award to supply one unit anchor handling tug supply vessel and one unit of fast multipurpose supply vessel. It said the contracts had commenced on April 1 and the duration of the contracts were for a primary period of six months with two extension options of one month each. (Star)

Puspakom Sdn Bhd, a unit of DRB-HICOM Bhd (DRBHCOM), has signed a memorandum of understanding (MoU) with the Government to undertake the hire purchase inspection (IHI) services for vehicles, following the implementation of the newly-amended Hire Purchase Act 1967. Under the agreement, Puspakom and the Domestic Trade, Cooperatives and Consumerism Ministry will collaborate and cooperate towards undertaking the IHI services, DRB-HICOM said in a filing to Bursa Malaysia yesterday. (Star)

Malaysia Airlines (MAS) expects a capacity growth of less than 10% this year, said managing director and chief executive officer Tengku Datuk Azmil Zahrudin. Also, due to the present high jet fuel price, the national carrier had been raising fuel surcharges in the regions it operates over the past few months. “The price of jet fuel is currently about US\$140 per barrel. The increase in fuel surcharges is by double percentage points depending on region,” Azmil said. (Star)

Ramunia Holdings Bhd’s (RAMUNIA) unit, Ramunia Fabricators Sdn Bhd (RFSB), has signed a memorandum of understanding (MoU) with Sew Infrastructure Ltd. In a filing with Bursa Malaysia yesterday, the company said the MoU was to explore possibilities where both parties can collaborate to undertake any business relating to oil and gas, and any other industries in India. Sew Infrastructure is involved in infrastructure development and construction, including engineering procurement and construction projects in oil and gas, power, roads, water and buildings. (Star)

Some 1,214ha of rubber land in Sungei Buloh, Selangor, has been alienated to the Employees Provident Fund (EPF), Malaysian Resources Corporation Bhd (MRCB)'s chief executive officer Datuk Mohamed Razeek Hussain said at the Invest Malaysia 2011 yesterday. "Our chairman Tan Sri Azlan Zainol, who is also EPF's chief executive officer, told MRCB shareholders last week that the Sg Buloh land has already been alienated to the pension fund," Mohamed Razeek was quoted as saying by a fund manager who attended the briefing. The land is currently owned by the Malaysian Rubber Board. (BTimes)

Minho (M) Bhd's (MINHO) subsidiary and two of its directors have been charged by the Ministry of Domestic Trade and Consumer Affairs with being in possession of subsidised diesel. The directors named in the charge are Datuk Loo Keng An@Lee Kim An the chief operating officer of Minho and Yap Leong Seng the executive director of Minho. Hearing for the case has been set for June 2. (BTimes)

JPMorgan Chase & Co posted a 67 per cent increase in first-quarter earnings, topping Wall Street expectations, as it set aside less money to cover bad loans. The news was not all positive for the second-largest US bank. It said it was still suffering from high mortgage losses. The bank's book of consumer loans shrank by 10 per cent in the quarter, and loans to corporate customers did not rise enough to offset that. But the results were good enough to lift JPMorgan shares 1.2 per cent in premarket trading and also boosted other bank stocks. (BTimes)

Berjaya Sports Toto Bhd (BJTOTO) has informed Bursa Malaysia that it is no longer pursuing a possible corporate exercise which may result in the entry of a strategic investor. It was responding to articles which appeared stating that Tan Sri Vincent Tan was considering selling a 49 per cent stake in the gaming unit. (BTimes)