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MARKET FLASH

Monday, 29 Aug 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1423

Resistance : 1500

Bias : Downtrend

The market should find support around the 1423 points level before the recovery sets in. Still, the rebound is unlikely to be strong and would merely be an adjustment from oversold as most investors are unlikely to commit significantly to the market ahead of the upcoming long break.

COMMENTARY

Slipping below 1445 ... The market's slide continues into its third day and cumulating in the key index sliding below the 1450 support level. The sustained lack of interest continues to weight on the market, with blue chips like Genting and Petronas Chemical sold down in tandem with the weaker performance of regional bourse. CIMB Group was also among the biggest loser on concern a slowing economy will hurt earnings. The offloading of cyclical stocks also spread to other banking stocks like RHBCap and HLBank.

More downside, but reprieve could be in store ... With the key index breaching the 1445, the market's bearishness has escalated. All its momentum indicators are sliding with the RSI and stochastic already below their respective lower limit lines with no signs of a rebound as yet. It has also effectively wiped out the year's recovery.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,444.81	(19.93)
Volume (m)	966.7	
Value (RMm)	2267	
Up	168	
Down	640	
Unchanged	228	
FOREIGN		
Nikkei	8797.78	25.42
Hang Seng	19582.88	(169.60)
STI	2748.18	(17.56)
Shanghai CI	2612.19	(3.07)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Pmetal-WC	0.305	0.30
Yongtai	0.53	0.24
KSL-WA	0.425	0.225
AdvPkg	1.31	0.14
Rapid	1.75	0.14
Losers	Close (RM)	Chg(RM)
BAT	43.92	(0.56)
HLFG	11.68	(0.46)
Tasek	7.26	(0.44)
HLBank	12.36	(0.42)
Pmetal-LA	1.84	(0.36)
Actives	Close (RM)	Chg(RM)
CIMB	7.04	(0.21)
Axiata	4.72	0.09
Pchem	6.03	(0.27)
Muiind	0.23	0.02
Armada	3.53	(0.27)

Current Stock Review

Trading Sell – **UEMLAND**



Chart wise:

UEM Land Holdings Bhd (5148) – Properties – RM2.05

UEM Land's had been trading within a down trending channel and although it attempted a breakout, it failed to sustain and fell back into the channel. As a result, it is now trading below its 5 and 10-day moving averages and with the uncertainties surrounding the market, its share price is likely to be capped pending a positive outcome.

Support is pegged at RM1.95 should the selling pressure intensified. At best, it is expected to consolidate sideways or down if it break the RM1.95 support. Given its unexciting technical prospects for now, UEM Land is a technical trading sell.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives are expected to be firmer this week, dealers said. Strong profit results posted by Sime Darby Bhd last Friday and IOI Corp Bhd on Wednesday, would influence the market this week, said a dealer. He expected futures prices this week to trade around RM27-RM28 higher than the week ended. The market will be closed from Tuesday to Thursday for the Hari Raya and National Day celebrations. On a Friday to Friday basis, September 2011 fell by RM15 to RM3,100, October 2011 was down RM19 to RM3,016, November 2011 declined RM28 to RM2,975 and December 2011 decreased RM20 to RM2,967. Turnover narrowed to 98,096 lots from 103,966 lots previous week while the open position fell to 127,529 contracts at the end of this week against 129,652 contracts previously. (Star)

Rubber prices on the Malaysian rubber market are expected to remain stable this week amid a tight raw material supply, dealers said. Bad weather conditions have been disrupting output and the market's direction this week will also be determined by external, leads mainly from the Tokyo Commodity Exchange and Shanghai Rubber Futures market "The local price will depend on the futures prices. Any increase will see the local price following suit, with the reverse applicable too," said a dealer. The market, will be closed from Tuesday to Thursday for the Hari Raya and National Day holidays. On a week-to-week basis, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 climbed 16.5 sen to 1,358 sen per kg against 1,341.5 sen previously. Latex in bulk was up seven sen to 867 sen per kg from the 860 sen previous Friday. The unofficial sellers' closing price for tyre-grade SMR 20 increased 20.5 sen to 1,354.5 sen per kg versus 1,334 sen per kg previous week while latex in bulk was up 7.5 sen to 865.5 sen per kg from 858 sen previously. (Star)

Gold for immediate delivery fell as much as 0.8 percent to US\$1,814.20 an ounce, and last traded at \$1,816.55 by 8:11 a.m. Singapore time (Bloomberg)

The Australian dollar traded 0.2 percent from a more-than-one-week high as futures signaled Asian stocks will gain after Federal Reserve Chairman Ben S. Bernanke calmed concerns the U.S. economy may stall. The so-called Aussie rose against 13 of its 16 major peers before a report tomorrow forecast to show building approvals increased in July by the most in four months and after traders trimmed bets that the central bank will reduce its benchmark interest rate this year. New Zealand's dollar held last week's advance amid demand for higher-yielding assets after Bernanke extended the Fed's September policy meeting to two days. Australia's dollar traded at \$1.0571 as of 9:21 a.m. in Sydney from \$1.0573 in New York on Aug. 26, when it rose as high as \$1.0593, the most since Aug. 17. It fetched 81.16 yen from 81.05 yen and earlier reached a three-week high of 81.39. (Bloomberg)

Oil rose from a three-day high in New York after Federal Reserve Chairman Ben S. Bernanke said growth will resume and the central bank has tools to stimulate the economy. Tropical Storm Irene pushed through New England. Futures climbed as much as 0.4 percent today after Bernanke said on Aug. 26 that U.S. growth is safe in the long run and the Fed still can aid the recovery. Oil refiners along the East Coast were operating plants at or near normal levels after Hurricane Irene weakened to a tropical storm. Crude for October delivery was at US\$85.57 a barrel, up 20 cents, in electronic trading on the New York Mercantile Exchange at 8:48 a.m. Sydney time. The contract gained 7 cents on Aug. 26 to \$85.37, the highest since Aug. 23. Prices are 15 percent higher the past year. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	11284.50	134.72	1.21	Nasdaq CI	2479.85	60.22	2.49
S&P 500	1176.80	17.53	1.51	FTSE 100	5129.92	-1.18	-0.02

Global and Local Headlines

Japanese stocks rose for a third day after Federal Reserve Chairman Ben S. Bernanke indicated the U.S. economy isn't deteriorating fast enough to warrant additional stimulus. Fanuc Corp. (6954), which gets 75 percent of its sales outside of Japan, rose 0.6 percent. Mitsubishi UFJ Financial Group Inc. (8306), Japan's biggest lender, advanced 0.6 percent, leading gains in banks. Softbank Corp. (9984), Japan's third-largest mobile-phone operator by revenue, gained 1.7 percent. The Nikkei 225 (NKY) Stock Average rose 0.2 percent to 8,816.99 as of 9:09 a.m. in Tokyo. The broader Topix index advanced 0.2 percent to 757.76. (Bloomberg)

San Miguel Corp (SMC) plans to invest up to US\$1 billion (RM3 billion) over three to five years to upgrade a Port Dickson oil refinery it is buying from ExxonMobil Corp. Besides that, the Philippine company is also planning to develop the Malaysian talent that it is acquiring, said Eric Recto, president of Petron and SMC board member. (BTimes)

The OECD is prepared to cut growth expectations for much of the world, including Europe and Japan, the organization's head said on Friday. "We're not talking about a contraction of the economies, but a slowdown of the growth," Angel Gurría, secretary-general, of the Organization for Economic Co-operation and Development club of industrialized nations, said in an interview with Reuters Insider in Jackson Hole, Wyoming, where central bankers are gathered for an annual meeting. Only a few countries, like Turkey, are still experiencing strong growth. The rest are linked together in what has become a general slowdown: "In open economies, if they are not growing of course they don't buy from the others," Gurría said. (BTimes)

China has ordered banks to include their margin deposits in required reserves at the central bank to mop up excessive liquidity, banking sources said, the latest move in Beijing's campaign to rein in worrisome inflation. Commercial banks will be required to include margin deposits paid by their clients to secure the issuance of banker's acceptance, letters of guarantee and letters of credit in their required reserves, the sources said on Friday. Such deposits amounted to 4.4 trillion yuan (RM2 billion) at the end of July, according to central bank data. (BTimes)

US stocks are setting up for another turbulent week that will begin with a focus, oddly enough, on the weather. Traders juggling European debt worries and soft economic data are now staring at satellite images, tracking the path of Hurricane Irene, expected to hit New York over the weekend. With the powerful storm roaring up the US East Coast, setting off evacuations in parts of New York City and across the Eastern Seaboard, the NYSE Euronext and Nasdaq have said several times that they plan to open trading as usual today. The US Securities and Exchange Commission and exchange officials will discuss the storm's impact and plans for opening trading at the start of the week in a conference call, according to a source familiar with the plan. After completing additional reviews, the NYSE said Saturday afternoon: "Preparations are complete on our trading floor and in our data centres," in a market status note. (BTimes)