



# 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 Lebuhr Pantai  
10300 Penang  
Tel: 04-2639118

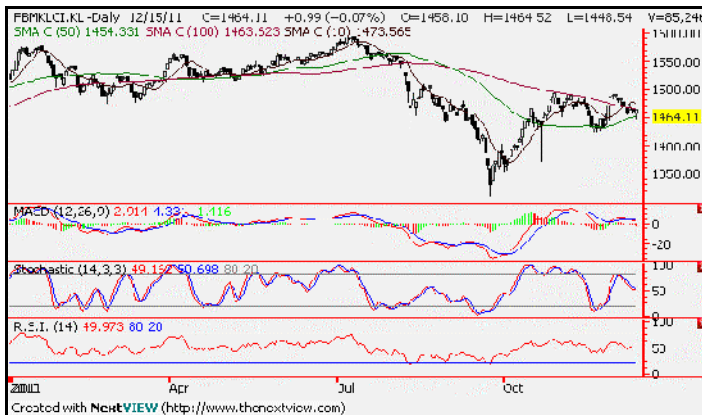
## Johor Branch

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

# MARKET FLASH

Friday, 16 Dec 2011

## FBM KLCI DAILY CHART



### TECHNICAL INDICATIONS

**Support : 1450, 1424**

**Resistance : 1475, 1502**

**Bias : Consolidation**

Since its one-day advance that netted 7 points on 12 December, the index although went on to test a high of 1474.55, had since meandered sideways with a negative bias. To break free from this mini downtrend, it had to break through the 30-day SMA of 1467 before facing the 1475 resistance. At this juncture, the sentiment had turned uncertain and volatile in a low volume environment.

### COMMENTARY

**Europe concerns stalling the market ...** European concerns continue to dominate. As a result, the market traded cautiously and the warrants/lower liners although continued to hog the top volume list turned in a mixed performance. Meanwhile JCY surged on speculation and effectively erased the losses sustained in its half month long correction. The overall market was however lackluster and uncertain. It is imperative that the market regained its footing in the near to short term to prevent the current mild correction from becoming a major slide.

**Corrective phase turning cautious...** Apparently, the bullish sentiment prevalent in selective warrants and lower liners had failed to spread to the broader market.

## MARKET STATISTICS

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1464.11	0.99
Volume (m)	1564.7	
Value (RMm)	1251.2	
Up	346	
Down	380	
Unchanged	314	
<b>FOREIGN</b>		
Nikkei	8377.37	(141.76)
Hang Seng	18026.84	(327.59)
STI	2635.25	(37.14)
Shanghai CI	2180.90	(47.63)
<b>BURSA MOVERS</b>		
<b>Gainers</b>		
QSR	6.44	0.44
QSR-WB	3.45	0.43
KFC	3.80	0.39
Proton	4.55	0.38
UMW	6.84	0.34
<b>Losers</b>		
Dlady	24.58	(1.30)
KLK	22.12	(0.48)
Nestle	56.02	(0.46)
AEON	7.15	(0.25)
Bkawan	17.26	(0.20)
<b>Actives</b>		
JCY-CD	0.31	0.10
MBSB-CA	0.165	0.02
JCY	0.84	0.13
Kulim-CB	0.155	0.075
Sanichi	0.22	0.01

## Current Stock Review

### Caution – BPuri



### Chart wise:

#### Bina Puri Holdings (5932) – Construction – RM0.89.

Subject to the persistent weak sentiment for its stock, the share price of Bina Puri has been drifting down for the past two months. It just breached its 30-day SMA of RM0.91. In the medium-term, the share price is expected to continue drifting in the absence of fresh impetus amidst cautious appetite for construction stocks.

Should the share price fail to stage a recovery from current level, the next visible support is at RM0.85. Hence, caution is in order.

## ***MAJOR NEWS***

### **Commodity, Currency and Economic News**

**The euro** headed for the steepest weekly decline in three months as European nations prepare for bill auctions next week amid concern policy makers are struggling to stem the region's two-year debt crisis. The 17-nation euro traded 0.4 percent from a 10-week low against the yen after European Central Bank President Mario Draghi said yesterday there's no "external saviour" for indebted countries that don't implement structural reforms and the central bank's program of buying government bonds isn't limitless. The dollar held onto losses versus the majority of its-most traded peers amid data that suggest the U.S. economy is gaining momentum, easing demand for haven assets. The euro traded at \$1.3025 as of 8:30 a.m. in Tokyo from \$1.3016 in New York yesterday, having weakened 2.7 percent this week. That's the biggest decline since the five days ended Sept. 9. The shared currency fetched 101.43 yen from 101.34, after dropping as low as 101.05 yesterday, the weakest since Oct. 4. The dollar was little changed at 77.87 yen. (Bloomberg)

**Oil** headed for the biggest weekly decline since September in New York as investors speculated that fuel demand may falter amid shrinking industrial production in the U.S., Europe and China. Futures fell a third day after figures from the Federal Reserve yesterday showed output at factories, mines and utilities in the U.S. slid 0.2 percent in November, the first decrease since April. Chinese factory production may decline for a second month in December, preliminary results from a Markit Economics survey indicated. Euro area manufacturers may face a fifth straight month of contraction, a separate report showed. Crude for January delivery dropped as much as 48 cents, or 0.5 percent, to \$93.39 a barrel in electronic trading on the New York Mercantile Exchange and was at \$93.59 at 10:51 a.m. Sydney time. The contract yesterday slid 1.1 percent to \$93.87, the lowest close since Nov. 2. (Bloomberg)

The fewest workers in three years filed claims for **U.S. jobless benefits** last week, indicating the world's largest economy is strengthening heading into 2012. The number of applications for unemployment payments dropped by 19,000 to 366,000 in the week ended Dec. 10, less than the lowest forecast of economists surveyed by Bloomberg News and the least since May 2008, according to Labor Department figures issued today in Washington. Other reports showed manufacturing accelerated this month after pausing in November. A reduction in firings may pave the way for an increase in employment that will help spur consumer spending, which accounts for about 70 percent of the economy. Lean inventories and growing demand may probably spark gains in production that will keep factories at the forefront of the expansion. (Bloomberg)

**The ringgit** ended lower against the US dollar for the fourth consecutive day yesterday as traders reduced their position on emerging currencies due to dented progress on the eurozone debt crisis, dealers said. At 5pm, the ringgit was quoted at 3.1850/1882 against the greenback from 3.1840/1870 on Wednesday. However, the ringgit strengthened against the Singapore dollar to 2.4337/4368 from 2.4370/4412 on Wednesday but declined against the Japanese yen to 4.0828/0874 from 4.0808/0867. The local currency was also up against the British pound to 4.9336/9395 from 4.9372/9434 and it even appreciated against the euro to 4.1402/1459 from 4.1494/1549 previously. (BTimes)

**Crude palm oil futures** closed sharply lower yesterday on technical selling pressure, dealers said. A dealer said traders took the cue from other commodities' prices, which also fell. January 2012 lost RM76 to RM2,972 a tonne, February 2012 shed RM81 to RM2,971 a tonne. Meanwhile, March 2012 and April 2012 slid RM82 each to RM2,971 and RM2,970 a tonne, respectively. Turnover rose to 30,573 lots from on Wednesday 21,298 while open interest tumbled to 114,288 contracts compared with Wednesday's 117,521 contracts. (BTimes)

The local **rubber market** continued its downtrend yesterday amid selling pressure, dealers said. A dealer said the easier rubber prices were in line with other commodities, which encouraged players to sell contracts heavily to stop losses. At noon, the Malaysian Rubber Board's official physical price for tyre-grade SMR20 slipped by 15 sen to 1,030.5 sen a kg while latex in bulk went down three sen to 676 sen a kg. The unofficial closing price for tyre-grade SMR20 depreciated by 18.5 sen to 1,032 sen a kg while latex-in-bulk declined 4.5 sen to 674.5 sen a kg. (BTimes)

**Spot gold** was steady yesterday, after falling 3.5 per cent in the previous session, but prices continued to hover near a 2½ -month low as investors remained nervous about the eurozone debt crisis amid the year-end rush to liquidate positions. Spot gold edged up 0.1 per cent to US\$1,576.20 an ounce by 0811 GMT, after posting its biggest one-day fall in nearly three months on Wednesday. Meanwhile, US gold fell 0.5 per cent to US\$1,579. (BTimes)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	11868.80	45.33	0.38	Nasdaq CI	2541.01	1.70	0.07
S&P 500	1215.75	3.93	0.32	FTSE 100	5400.85	34.05	0.63

### Global and Local Headlines

**Japanese stocks** rose, with the Nikkei 225 (NKY) Stock Average snapping a three-day losing streak, after U.S. data on jobless claims and manufacturing beat estimates, easing concern Europe's debt crisis will drag the global economy into a recession. Sony Corp. (6758), Japan's No. 1 exporter of consumer electronics, rose 1.1 percent. Fanuc Corp. (6954), a leading maker of factory automation systems, added 1.2 percent. Maruzen CHI Holdings Co., a bookstore chain, fell 5.8 percent after forecasting its full- year loss will widen, citing slumping same-store sales. The Nikkei 225 rose 0.6 percent to 8,429.73 as of 9:20 a.m. in Tokyo, headed for a 1.2 percent weekly loss. The broader Topix index gained 0.3 percent to 727.44. (Bloomberg)

Bank of America Corp. (BAC), Goldman Sachs Group Inc. (GS), Citigroup Inc. and Barclays Plc (BARC) were among lenders who had their issuer default grades cut by **Fitch Ratings** today. Credit Suisse Group AG (CSGN), Deutsche Bank AG (DBK) and BNP Paribas SA also had issuer-default ratings lowered, according to a statement today from Fitch. The downgrades "reflected challenges faced by the sector as a whole," Fitch said. "These challenges result from both economic developments as well as a myriad of regulatory changes." Credit ratings of the world's biggest lenders have come under pressure amid weak economic growth and doubts about whether European regulators have done enough to end the continent's debt crisis. Lenders in the European Union must raise about \$149 billion in fresh capital to help address the sovereign-debt turmoil, the European Banking Authority said on Dec. 9. (Bloomberg)

**Indonesia** regained investment grade rating for its sovereign debt at Fitch Ratings after 14 years, as Southeast Asia's largest economy withstands faltering global growth and contains borrowings. The country's long-term foreign and local currency debt was raised to BBB- from BB+, Fitch said in a statement yesterday. The outlook on both ratings is stable. Indonesia lost the investment grade rating in December 1997, during the Asian financial crisis. The rating puts the nation on the same level as India. "The upgrades reflect the country's strong and resilient economic growth, low and declining public-debt ratios, strengthened external liquidity and a prudent overall macro policy framework," Philip McNicholas, director in Fitch's Asia-Pacific Sovereign Ratings group, said in the statement. (Bloomberg)

In a pre-emptive move to preserve market share in view of competition, **Astro All Asia Networks** will launch a new television service known as NJOI next Tuesday. This new offering is targeted at a wider population. Sources said it was a bid by the satellite pay-TV operator to gain more share from households in the country before the digital cable TV operator, ABN, stepped into the scene in the middle of next year. There are currently 6.6 million TV households in the country and Astro has captured three million subscribers. Sources said the new service would be offered based on a subscription-free model for a few channels but viewers would have to get their own set-top box and satellite dish. (Star)

**Sanichi Technology Bhd** has received a letter of intent from Guangxi Huayin Aluminium Co Ltd for the purchase of 150,000 tonnes of steam coal monthly for a year. "The company will need to seek out a total supply of 1.8 tonnes (of steam coal) for the year to satisfy demands from the buyer," Sanichi said in a filing with Bursa Malaysia. (Star)

The winning bid for the tunnelling portion of My Rapid Transit (MRT) is expected to be disclosed by April or May next year, after tender submissions close on Jan 31, said **Gamuda Bhd** managing director Datuk Lin Yun Ling. "The authorities might take three to four months to evaluate the tenders and compare prices after the tenders are submitted. "From what I have gathered from the news, companies from China, Japan and (South) Korea are also vying for the tunnelling portion of the project," he said at the launch of the MMC-Gamuda Tunnelling Training Academy. Lin told StarBiz that the tunnelling portion of the MRT was estimated to be worth RM7bil. (Star)

**Hunza Properties Bhd** will submit plans to the local authorities next year for a mixed-development project in Bayan Baru with a gross development value (GDV) of RM6bil to RM7bil. Executive chairman Datuk Khor Teng Tong told a press conference after the company's AGM that the group had engaged a couple of architects from Singapore to draw a master plan for the project sited on over 16.2ha, opposite the Bukit Jambul Complex. Khor said the group had just acquired 2ha for the development of 1,000 units of low-cost homes for the households currently occupying the over 16.2ha site. (Star)

**Coastal Contracts Bhd** had secured contracts for the construction and sale of three offshore support vessels (OSV), two landing crafts and two barges for a total of about RM233mil. With this latest batch of contracts, the value of Coastal Group's secured vessel sales orders currently stood at about RM610mil, with deliveries through 2012. (Star)

**Sapura Kencana Petroleum Bhd**, the merged oil entity between Kencana Petroleum Bhd and Sapura Crest Bhd, is expected to grow at a compounded annual growth rate of 15% to 20%. The growth will come largely from projects in its key markets, which include Australia, Brazil and the Middle East, said Kencana Group chief executive officer Datuk Mokhzani Mahathir. Mokhzani was speaking to the media after Kencana's EGM which saw 99.8% of its shareholders approve the merger. On Wednesday, Sapura Crest shareholders had approved the merger deal with 99.5% voting in favour of it. (Star)

**Felda Global Ventures Holdings** is on track to make its debut on Bursa Malaysia by early second quarter of next year, its president Datuk Sabri Ahmad said. "We are on track. We have the bankers looking into it already. Hopefully, we can list it in April next year," Sabri told a press conference at Felda Biotech Centre at Bandar Enstek here yesterday. While the actual size of the initial public offering (IPO) has yet to be announced, it is expected to be worth billions of ringgit, making Felda Global one of the country's 25 most valuable companies. (BTimes)

Shareholders linked to **UMW Holdings Bhd**, a strategic partner of Toyota Motor Corp, are believed to have won a bid to buy Khazanah Nasional Bhd's stake in Proton Holdings Bhd. Business Times was told that the UMW shareholders' bid was somewhere in the range of RM6 per Proton share. It is further understood that the shareholders will eventually make a general offer for Proton via UMW Holdings. UMW Holdings is majority controlled by Permodalan Nasional Bhd and the Employees Provident Fund. UMW Holdings, however, informed Bursa Malaysia yesterday that it had not submitted any proposal to Khazanah for its 42.7 per cent stake in the national carmaker. (BTimes)