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MARKET FLASH

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1475

Resistance : 1,505

Bias : Downtrend

Having failed to march above 1528 resistance, it had slumped into the downtrend framed by lower highs and lower lows. To break free from this downtrend, it had to break through 1505 before facing the 1528 resistance. The support has been lowered to 1475 as 1490 gave way.

COMMENTARY

Bears rule ... After yesterday's fall, the market attempted to recoup some of the losses in the morning. However, the underlying sentiment appears fragile as there was a general reluctance of the market players to commit further. The situation is in contrast to a week ago when trading sentiment was riding high. It is crucial to note that oil prices had hit above USD100 per barrel. Average trading volume increased to 2.0 bn as selling intensified in line with the return of caution. Reflecting the weaker overall market, decliners maintained its lead, 863 over 116 gainers.

1475 crucial support. The path taken by the composite index for the last several trading days was uninspiring to say the least.

Friday, 25 Feb 2011

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,489.87	(21.24)
Volume (m)	2,003.23	
Value (RMm)	2623.48	
Up	116	
Down	863	
Unchanged	155	
FOREIGN		
Nikkei	10452.71	(126.39)
Hang Seng	22601.04	(305.86)
STI	2973.08	(28.77)
Shanghai CI	2878.60	15.97

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
BAT	46.80	0.10
Tasek	8.54	0.09
HLBank	9.37	0.08
HLInd	5.73	0.08
Genp	7.95	0.07

Losers	Close(RM)	Chg(RM)
KLK	21.08	(0.40)
IJM	6.25	(0.28)
Harta	5.51	(0.24)
MISC	7.90	(0.20)
GAB	9.42	(0.16)

Actives	Close (RM)	Chg(RM)
Tejari-WA	0.04	0.035
Tanco	0.34	(0.08)
KNM	2.43	(0.40)
HWGB	0.635	(0.07)
HWGB-WB	0.565	(0.065)

Current Stock Review

Take profit – **Kulim**.



Chart wise:

Kulim Bhd (2003)-Plantations- RM3.63.

Kulim was a buy on breakout earlier this week based on expectations of sentiment in relation to the disposal of land by its parent JCorp to repay part of debt. Subsequently, it broke out of its rounding bowl formation to reach a high of RM4.00, before pulling back to its current level.

Having surged ahead strongly, a correction is in the pipeline as investors digest the gains. Hence, it is time to Take Profit on Kulim.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives closed lower yesterday on concerns over the unrest in the Middle East and big refiners selling down the market, a dealer said. March 2011 and April 2011 slid RM72 to RM3,506 and RM3,480 respectively, while May 2011 dwindled RM59 to RM3,455 and June 2011 eased RM43 to RM3,435. Bursa Malaysia Derivatives announced yesterday crude palm oil futures contracts reached an all-time high for the daily volume yesterday, surpassing the previous record of 41,879 contracts on November 18 2010. (BTimes)

The ringgit ended lower against the US dollar yesterday as the political unrest in the Middle East and North Africa looks set to escalate further. At the close, the local currency declined to 3.0635/0675 from Wednesday's close of 3.0450/0480. A dealer said the political concerns are driving demand for safer assets with the Swiss franc leading gains yesterday. Against the Singapore dollar, the ringgit traded lower at 2.3912/3949 from 2.3843/3885 on Wednesday and depreciated against the Japanese yen to 3.7384/7437 from 3.6829/6883 previously. The local unit also traded lower against the British pound at 4.9447/9521 from 4.9378/9436 on Wednesday and weakened against the Euro to 4.2110/2171 from 4.1774/1822 previously. (BTimes)

Oil dropped for a second day in New York after the U.S., Saudi Arabia and the International Energy Agency said that they can compensate for any disruption to Libyan shipments. New York futures retreated from US\$103.41 yesterday, the highest in 29 months after President Barack Obama said the U.S. will be able to "ride out" a cut resulting from turmoil in Libya. The crisis has trimmed supply by 500,000 to 750,000 barrels a day, according to the IEA. U.S. crude stockpiles rose less-than-forecast last week, while fewer Americans than projected filed first-time claims to collect jobless benefits. Crude for April delivery lost as much as 67 cents, or 0.7 percent, to \$96.61 a barrel in electronic trading on the New York Mercantile Exchange, and was at \$97.16 at 10:22 a.m. Sydney time. Yesterday, it fell 82 cents to \$97.28 after climbing to \$103.41, the highest intraday price since Sept. 29, 2008. (Bloomberg)

Japan's consumer prices fell at a slower pace than expected in January, their slide moderated by increases in global energy and food costs. Consumer prices excluding fresh food declined 0.2 percent from a year earlier, the statistics bureau said today in Tokyo. That compared with a median 0.3 percent drop predicted by economists surveyed by Bloomberg News. Price drops eased for a fourth consecutive month to the slowest since April 2009. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12068.50	-37.28	-0.31	Nasdaq CI	2737.90	14.91	0.55
S&P 500	1306.10	-1.30	-0.10	FTSE 100	5919.98	-3.55	-0.06

Global and Local Headlines

Japanese stock futures dropped as the yen strengthened, reducing the outlook for exporters' earnings, while oil retreated below US\$100 a barrel. Australian shares fell. American depository receipts of Sharp Corp., a Japanese maker of flat-screen panels that gets almost half of its revenue outside Japan, fell 0.9 percent from the closing share price in Tokyo. Those of Sony Corp., Japan's biggest electronics exporter, slid 0.3 percent. BHP Billiton Ltd., the world's largest mining company, fell 0.7 percent in Sydney today. Futures on Japan's Nikkei 225 Stock Average expiring in March closed at 10,425 in Chicago yesterday, compared with 10,470 in Osaka, Japan. They were bid in the pre-market at 10,430 in Osaka at 8:05 a.m. local time. Australia's S&P/ASX 200 Index fell 0.2 percent today. (Bloomberg)

The tablet wars have finally begun for real. Ten months after Apple Inc.'s iPad established the market for large-display touchscreen mobile devices, it finally has a worthwhile competitor: the Xoom, from Motorola Mobility Holdings Inc., which went on sale yesterday from Verizon Wireless and at Best Buy Co. stores. The Xoom falls short of the iPad in some respects, and the gap may widen when Apple unveils its next-generation model on March 2. Still, the Motorola tablet gives consumers a viable choice in a marketplace that so far has been characterized more by manufacturers' vaporware announcements than by products you can actually take home. (Bloomberg)

AirAsia Bhd's (AIRASIA) net profit jumped more than eight-fold to RM316.5mil in the fourth quarter ended Dec 31, 2010 against RM33.9mil previously while its full-year earnings hit the RM1bil mark driven by higher passenger numbers and stronger yields. Revenue for the quarter rose 33% to RM1.18bil from RM894mil a year ago while earnings per share jumped to 11.50 sen versus 1.50 previously. The budget carrier's core operating profit for the period was RM332.8mil, a 147% increase over RM134.7mil posted a year ago. Its earnings before interest, tax, depreciation and amortisation margin improved to 49.3% from 43.3% previously. (Star)

Sime Darby Bhd (SIME) posted a 104.8% increase in net profit to RM877.1mil for its second quarter from the same period a year ago with earnings from its plantation, motor and industrial divisions providing much of the lift. But the company admitted that the recent bad weather in Malaysia and Queensland would affect its plantation and industrial businesses and overall profit growth in the third quarter but not sufficiently to derail its full-year net profit target of RM2.5bil. "Things will brighten up in the fourth quarter," president and group chief executive Datuk Mohd Bakke Salleh said at a media conference yesterday. (Star)

Carlsberg Brewery Malaysia Bhd (CARLSBG) registered a net profit of RM30.5mil for the fourth quarter ended Dec 31, 2010, a 51.7% higher than RM20.1mil posted in the previous corresponding period on higher revenue. Revenue for the fourth quarter stood at RM326.1mil, 8.5% higher than RM300.4mil in the same period a year earlier. The growth in revenue was mainly due to higher sales during the year-end season especially in the modern off-trade channels in both the Malaysian and Singapore markets. Earnings per share more than doubled to 10 sen versus 4.2 sen previously, Carlsberg said in a statement. The company announced a final dividend of 7.5 sen per 50 sen share less tax and a special final dividend of 43 sen per 50 sen share less tax for the year ended Dec 31, 2010. (Star)

EON Capital Bhd (EONCAP) yesterday announced that group chief executive officer Datuk Michael Lor of wholly-owned subsidiary EON Bank Bhd has resigned with immediate effect, and the resignation has been accepted by the bank. This resignation comes in the midst of EON Cap still caught in the middle of a court case involving the takeover of the bank by Hong Leong Bank Bhd (HLB). HLB has proposed to acquire the assets and liabilities of EON Cap at RM5.06bil or RM7.30 per share. When contacted, Lor said the resignation was his own decision, "due to personal reasons" and that he was leaving before his term ends, which is believed to be in October this year. (Star)

Naza Kia Malaysia, the official distributor of Kia Motors vehicles in Malaysia, will launch its Forte Koup and Forte 6-speed sedan models on March 3. Chief operating officer Datuk Hafiz Syed Abu Bakar said Forte Koup was Kia's first-ever two door coupe while the new Forte would come with a host of premium features such as a new six-speed automatic transmission, bluetooth connectivity for cellular phones and a rear-view camera. "Both Forte Koup and Forte 6-Speed will further enhance the Kia brand in the market. The new Forte Koup showcases performance-inspired, aggressive and smooth styling and we believe it will be a hit," he said in a statement yesterday. Hafiz said the company had sold 5,781 units of the Forte since its launch in November 2009. (Star)

Festering concerns about violence in the Middle East caused jitters in the **US stock market** Thursday, with the major indexes closing the day mixed. As traders wondered how violence in Libya would affect oil prices and the broader US economy, price losses for Bank of America, Hewlett-Packard and Wal-Mart tipped the balance into negative territory. The Dow was down 37.28 points (0.31 per cent) at the close to 12,068.50 and the broader S&P 500 was off 1.30 points (0.10 per cent) to 1,306.10. The tech-driven Nasdaq managed to eke out a gain, adding 14.91 points (0.55 per cent) at 2,737.90. Late-day reports that Saudi Arabia could step in to meet any shortfall in Libyan oil supplies helped the markets pare earlier losses. (BTimes)

YTL Corp Bhd's (YTL) second quarter net profit ended December 31 2010 fell 24 per cent to RM164.18 million due to lower profits from offshore property development and higher operating cost by foreign subsidiaries. Group managing director Tan Sri Dr Francis Yeoh Sock Ping, in a statement yesterday, said the reorganisation of the property development and hotels businesses is still ongoing, as part of the group's strategy to streamline its operation. The group also announced a proposed one-into-five share split to make its stock more affordable to investors. YTL Corp's growth in the first half was driven primarily by strong performance in its utilities and cement divisions. (BTimes)

Petronas Chemicals Group Bhd (PCHEM) has more than doubled its third-quarter net profit, due to higher demand for its products, which have fetched higher prices. Southeast Asia's most valuable petrochemical player also beat analysts' expectations for the quarter and expects full-year numbers to be satisfactory. "The results of our operations are expected to be primarily influenced by fluctuations in international petrochemical products prices, global economic conditions and the utilisation rate of our production facilities," PCG said in a statement to Bursa Malaysia yesterday. The Petronas subsidiary reported a net profit of RM874 million for the quarter to December 31 2010 against RM337 million in the same quarter a year ago. Revenue jumped 31 per cent to RM4 billion. (BTimes)

Tanjung Offshore Bhd (TGOFFS) has won a RM33.5 million contract extension to provide three offshore support vessels to Petronas Carigali Sdn Bhd. The extension is for one year, starting from March and July this year, it said in a statement to Bursa Malaysia yesterday. The contract may be renewed further, depending on Petronas' needs. (BTimes)

Britain's state-rescued **Royal Bank of Scotland** said yesterday that net losses narrowed sharply last year to STG1.125 billion (STG1 = RM4.96) as bad debts tumbled. The performance marked a large improvement from net losses of STG3.607 billion that were suffered in 2009, said RBS, which is 83 per cent owned by the taxpayer after an enormous bailout. Most of last year's loss was due to a large exceptional charge of STG1.116 billion under the British government's asset protection scheme, which is an insurance plan to protect banks from losses generated by high-risk assets. Operating profit, excluding any exceptional elements, jumped into a profit of STG1.913 billion in 2010, compared with a shortfall of STG6.09 billion in the previous year. (BTimes)