



## 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

## FBM KLCI DAILY CHART



### TECHNICAL INDICATIONS

Support : 1543, 1525

Resistance : 1576, 1605

Bias : Sideway

As it is, the mild uptrend is still in force as its core indicators are on a gradual uptrend and this will play a major role in sustaining the markets ascend. Prospects for further near term upsides are looking stronger now. For now, the candle next resistance remains at 1576 and to 1605. The main support is at 1543.

### COMMENTARY

**Rebound spill over ...** In line with regional markets, the market continues to rise to a high of 1575.81, but went downhill for the rest of the day, before some last minute buying lifted the index back to 1575. Several blue chips counters gained on healthy volume which topped 1 bn shares. The broader market was mixed as the underlying sentiment remains uncertain. However, if external factor stabilizes, the prospects of further recovery are good.

**Half year window dressing? ...** After yesterday's performance, we suspect that there will be some window dressing activities before the half year is out, which may tip the key index up.

Thursday, 30 June 2011

### MARKET STATISTICS

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,575.01	4.99
Volume (m)	1044	
Value (RMm)	1796	
Up	434	
Down	333	
Unchanged	319	
<b>FOREIGN</b>		
Nikkei	9797.26	148.28
Hang Seng	22061.18	(0.60)
STI	3079.74	28.95
Shanghai CI	2728.48	(30.72)

### BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
NWP	0.38	0.28
Shell	10.50	0.20
Cepco	2.16	0.19
HLBank	13.10	0.18
Mflour	7.92	0.16
Losers	Close (RM)	Chg(RM)
Fimacor	6.11	(0.19)
MSM	4.70	(0.19)
Cresbld-WA	0.33	(0.17)
HLInd	4.01	(0.16)
Jtiasa	6.90	(0.16)
Actives	Close (RM)	Chg(RM)
MAA	0.755	0.055
TMS	0.125	0.00
KBB	0.465	0.06
LBS	0.845	(0.02)
Axiata	5.00	0.03

## Current Stock Review

### Neutral – **KSL**



### Chart wise:

#### **KSL Holdings Bhd (5038) – Properties – RM1.90**

After lingering at RM1.80 level for the past month, KSL's candle attempted to break out of its triangle formation last Tuesday, but failed, leaving the candle just below the downtrend line. As a result, its stochastic dipped down, while the RSI is still strengthening. The lagging MACD, meanwhile, has just crossed the trigger line on the upside.

Overall, the stock is at the crossroads, but if a breakout occurs this week and the RM2.00 level is taken out, there are trading buy opportunities, otherwise we are neutral on the stock. Beyond RM2.00, the other resistance is at RM2.05. The support, meanwhile, is at RM1.75.

## **MAJOR NEWS**

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

**Oil** climbed a third day in New York after a report showed U.S. crude stockpiles fell almost three times as much as analysts forecast and Greece passed austerity measures aimed at preventing a debt default which may have disrupted Europe's economy. Futures gained as much as 0.6 percent after the biggest two-day rally in seven weeks. The Energy Department said crude inventories declined 4.38 million barrels, compared with a median analyst projection for a 1.5 million-barrel decrease. Oil has risen 4.5 percent since June 23, when it dropped 4.6 percent after the International Energy Agency announced the release of 60 million barrels from strategic reserves, including 30 million from the U.S. Crude for August delivery climbed as much as 55 cents to \$95.32 a barrel in electronic trading on the New York Mercantile Exchange and was at \$95.06 at 10:16 a.m. Sydney time. The contract yesterday rose \$1.88 to \$94.77, completing a two-day gain of 4.6 percent, the most since May 10. Prices are 26 percent higher the past year and down 11 percent in the second quarter. (Bloomberg)

**The Australian dollar** rose to a two-week high versus the greenback before a central bank report that economists said will show bank lending expanded last month. The so-called Aussie advanced for a third day as traders trimmed bets that the Reserve Bank of Australia will cut interest rates in the next 12 months. New Zealand's currency climbed toward a record versus the greenback on optimism European officials will support further aid for Greece, boosting demand for riskier assets. Australia's dollar appreciated to \$1.0706 as of 10:08 a.m. in Sydney from \$1.0683 in New York yesterday after rising to \$1.0711, the highest since June 15. The currency traded at 86.38 yen from 86.29 yen and reached 86.41, the most since June 6. New Zealand's dollar rose 0.4 percent to 82.82 U.S. cents, after reaching 82.92 cents, the most since June 9, when it touched a record. The kiwi advanced 0.2 percent to 66.83 yen. (Bloomberg)

**The euro** rose to a two-week high against the US dollar on speculation the European Central Bank will increase interest rates next week after the immediate risk of default by Greece subsided. The common currency advanced against all of its 16 major counterparts before a report forecast to show European inflation accelerated in June, boosting expectations for an interest-rate increase on July 7. ECB President Jean-Claude Trichet said on June 28 policy makers are in "strong vigilance mode. The yen dropped against most of its major peers after gains in stocks and commodities damped demand for the currency as a refuge. The euro rose to \$1.4474 at 8:04 a.m. in Tokyo from \$1.4435 in New York yesterday. It earlier strengthened to \$1.4484, the strongest since June 14. The euro advanced to 116.87 yen from 116.61 after reaching 117.18 yesterday, the strongest since June 9. The dollar was at 80.75 yen from 80.78. (Bloomberg)

**The ringgit** continued to trade higher against major currencies for the second day yesterday, riding on a weaker US dollar and positive sentiment towards emerging markets, dealers said. At 5pm, the ringgit was firmer against the US dollar at 3.0320/0340 compared with 3.0455/0485 on Tuesday. The domestic currency was up against the Singapore dollar at 2.4539/4561 compared with Tuesday's 2.4515/4549 and appreciated against the yen to 3.7377/7415 from 3.7696/7738 previously. The ringgit strengthened against the pound to 4.8539/8577 from 4.8548/8611 on Tuesday but was weaker against the euro at 4.3600/3638 from 4.3493/3551 previously. (BTimes)

**Crude palm oil (CPO) prices** on Bursa Malaysia Derivatives closed higher on strong buying interest, a dealer said. The CPO futures prices rose on technical correction as well, he said. July 2011 contracts added RM57 to close at RM3,140 per tonne: August 2011 rose RM48 to RM3,118, September 2011 gained RM46 to RM3,109 and October 2011 was up RM40 to RM3,102. Turnover fell 14,821 lots from 25,407 lots on Tuesday, while open interest climbed to 117,154 contracts from 117,143 previously. (BTimes)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12261.40	72.73	0.60	Nasdaq CI	2740.49	11.18	0.41
S&P 500	1307.41	10.74	0.83	TSE 100	5855.95	89.07	1.54

### Global and Local Headlines

**Japanese and Australian** stock futures rose after Greece passed austerity measures needed to secure aid from the European Union, easing concern the country will suffer a default that destabilizes the banking system. American depositary receipts Canon Inc., which counts Europe as its largest market, advanced 0.8 percent from the closing share price in Tokyo. Those of Mizuho Financial Group Inc., Japan's third-biggest lender by market value, climbed 1.2 percent. ADRs of BHP Billiton Ltd., the world's largest mining company and Australia's No. 1 oil producer, gained 0.6 percent after crude and metal prices increased. Futures on Japan's Nikkei 225 (NKY) Stock Average expiring in September closed at 9,855 in Chicago yesterday, compared with 9,790 in Osaka, Japan. They were bid in the pre-market at 9,840 in Osaka, at 8:05 a.m. local time. Futures on Australia's S&P/ASX 200 Index gained 0.7 percent today. New Zealand's NZX 50 Index increased 0.5 percent in Wellington. (Bloomberg)

The largest toll operator in the country, **PLUS Expressways Bhd** has declared an interim single-tier dividend of 15 sen per share amounting to RM750mil yesterday that could be considered an "advance" payment to its shareholders that are awaiting their returns from the pending sale of the company's assets to the Employees Provident Fund and UEM Group Bhd. The interim dividend was approved at PLUS AGM yesterday and was later announced to Bursa Malaysia. The entitlement date for the interim dividend would be July 14 and the payment date July 29. The latest development on the interim dividend confirmed a StarBiz Apr 22 report that PLUS might be considering paying out dividends earlier than the norm. The move is possibly aimed at pacifying investors who have had a relatively long wait for returns from the pending sale of the company's assets in a RM23bil transaction or RM4.60 per PLUS share. (Star)

**Genting Bhd's** (GENTING) British subsidiary, Genting UK, has been awarded a licence to operate a casino at the NEC in Birmingham, the BBC reported on Tuesday. The company is also undertaking the development of a hotel, spa, multi-screen cinema, conference and banqueting centre and designer shopping outlets at the site. Dubbed Resorts World at the NEC, it will be a 120mil (RM583.73mil) leisure and entertainment complex that will be a major attraction and provide both economic and employment benefits. Resorts World At The NEC is a partnership between Genting Group and one of the UK's premier conference, exhibition and entertainment venue operators, The NEC Group. (Star)

**Eversendai Corp Bhd** announced that it has secured a new contract in Qatar worth 165 million riyals (RM139mil), just one day before listing on Bursa Malaysia. The contract, awarded by its major client Qatar Petroleum, involves works for Phase-4A of the Nakilat Shipyard at Port Ras Laffan in Qatar. Eversendai managing director Datuk A.K. Nathan said the new job entailed procurement, design, fabrication, erection of structural steel works, covering linings and metal deck flooring system with electrically operated two mega-sized doors. (Star)

The Government will make an announcement today on **Lynas Corp's** planned rare-earth refinery in Kuantan following a health and safety review by a panel of experts appointed by the IAEA. A briefing for this would be held at 11am, Bloomberg reported yesterday, citing a government statement. The RM700mil rare earth oxides plant project at the Gebeng Industrial Estate by Lynas sparked controversy recently due to concerns it would emit radiation detrimental to public health. Despite this, it has been reported that the construction of the plant is already 40% complete. (Star)

**Berjaya Corp Bhd's** (BJCORP) net profit for its fourth quarter ended April 30 dropped by 27.9% to RM103.6mil against the same quarter last year due to the impairment in value of certain property, plant and equipment, loss on disposal of certain investments and loss on dilution of interest in a subsidiary company as well as share of losses from jointly controlled entities. BCorp in its filing to Bursa Malaysia yesterday said its revenue for the quarter under review also marginally slid to RM1.87bil compared to RM1.89bil a year ago due to lower property sales registered from the property development business. This has resulted in its earning per share for the quarter to decrease to 2.37 sen from 3.39 sen a year ago. (Star)

Kim Eng Holdings Ltd, a subsidiary of **Malayan Banking Bhd** (MAYBANK), is looking to buy 344.4 million shares, or a 32.24% stake, in securities broking, investment banking and corporate finance advisory firm ATR KimEng Financial Corp from ATR Holdings Inc for S\$40.64mil (RM100mil). The purchase will enhance Kim Eng's presence in the Philippines, especially now that the company is part of Maybank and will complement the former's commercial banking activities in the Philippines. (Star)

**Satang Holding Bhd** (SATANG) told Bursa Malaysia yesterday that the Defence Ministry had extended for two years the former subsidiary's contract for the supply of non-proprietary spare parts, components and any related equipment for aircraft of the Royal Malaysian Air Force. The contract to Satang Jaya Sdn Bhd has been extended for another two years from June 20 this year to June 19, 2013 with a combined ceiling limit of RM350mil. (Star)

**Press Metal Bhd** (PMETAL) has offered Japan's Su-mitomo Corp a stake in its second aluminium smelter in Samalaju, Sarawak, to help fund the project. Other parties have expressed interest in the second plant but PMB is giving Sumitomo the first option because it is already partnering the Japanese firm in its first smelter. (BTimes)

**Malaysian Resources Corp Bhd** (MRCB) has formed a strategic alliance with Korean Teachers' Credit Union (KTCU), a Korean government guaranteed welfare agency, to collaborate on future projects such as setting up investment vehicles in Malaysia. In a filing yesterday, MRCB said it also may be invited by KTCU — which has projects worth RM600 million at the Kuala Lumpur Sentral — to extend its services in projects that it is investing in. (BTimes)

**Yinson Holdings Bhd** (YINSON) is proposing a renounceable rights issue to partially finance its share in a consortium that has won a contract to provide bareboat charter service worth US\$331.15 million (RM1.01 billion) over 20 years. It has wanted to inject US\$18.34 million (RM55.75 million) into the consortium. Yinson yesterday announced it will issue up to 131.84 million rights shares at RM1 per rights share. This is on the basis of three rights shares for every two existing shares held on an entitlement date to be determined later, it said. The firm had last month sealed a consortium agreement with Petrovietnam Technical Services Corp to undertake the contract. (BTimes)