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(A Participating Organisation of Bursa Malaysia)

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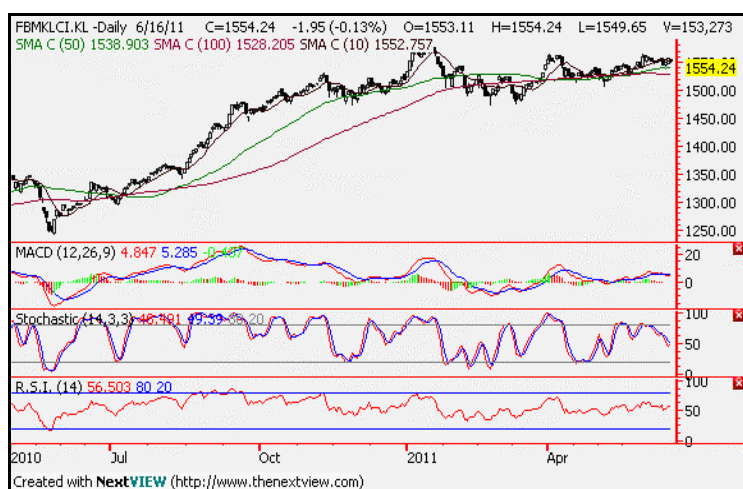
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MARKET FLASH

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1541, 1525

Resistance : 1565,1576

Bias : Sideways

The key index's core technical indicators are on the slide, but the positive short-term outlook remains. The next target is 1565 points and is likely to be tested now that the 1550 level is breached. The main support, meanwhile, lies at around the 1541 level.

COMMENTARY

No follow through, market retreated on renewed selling

... The anticipated follow through failed to materialize with the market slumping instead as selling became widespread. The overnight drop in oil prices and improved performance of regional bourses failed to stem the sell-down, which saw losers holding a significant upper hand by trouncing gainers by a wide margin. As expected, heavyweights bore the brunt on the sell-down but last minute support provided some cushion.

Uncertainties to reign ... We had earlier hoped for a follow through support to help lift some of the dreary mood that is engulfing the market, but it was not to be.

Friday, 17 June 2011

MARKET STATISTICS

| | Close | Chg. |
|----------------|----------|----------|
| LOCAL | | |
| FBM KLCI | 1,554.24 | (1.95) |
| Volume (m) | 815 | |
| Value (RMm) | 1645 | |
| Up | 210 | |
| Down | 558 | |
| Unchanged | 289 | |
| FOREIGN | | |
| Nikkei | 9411.28 | (163.04) |
| Hang Seng | 21953.11 | (390.66) |
| STI | 3020.13 | (34.69) |
| Shanghai CI | 2664.28 | (41.15) |

BURSA MOVERS

| Gainers | Close (RM) | Chg (RM) |
|---------|------------|----------|
| Bkawan | 17.30 | 0.54 |
| F&N | 19.70 | 0.26 |
| HPI | 4.18 | 0.25 |
| Nice | 0.44 | 0.19 |
| Milux | 1.27 | 0.15 |

| Losers | Close (RM) | Chg(RM) |
|---------|------------|---------|
| Muhibah | 1.52 | (0.38) |
| Mflour | 7.20 | (0.30) |
| Dlady | 18.14 | (0.24) |
| Tahps | 4.50 | (0.20) |
| PetGas | 12.30 | (0.20) |

| Actives | Close (RM) | Chg(RM) |
|---------|------------|---------|
| Muhibah | 1.52 | (0.38) |
| Computg | 0.07 | 0.005 |
| Axiata | 4.95 | 0.02 |
| Focus | 0.055 | 0.000 |
| SAAG | 0.07 | 0.000 |

Current Stock Review

Trading Buy on the breakout – KURASIA



Chart wise:

Kurnia Asia Bhd (5097) – Finance – RM0.435

Earlier Kurnia Asia share price fell back into the flag formation and was an avoid. However, this seems to have changed after the share price managed to breakout of the formation on Thursday. Along with the improving share price, its momentum indicators are also rising further.

The lagging MACD has also crossed the trigger line, thereby providing another positive signal. What now remains is for the share price to convincingly break out of the formation with another positive performance. If this occurs, then Kurnia Asia’s share is a Trading Buy on the Breakout. The resistance is at RM0.485. The support is at RM0.375.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed lower yesterday as buyers stayed on the sidelines on worries about euro debt crisis and its impact on global economy, dealers said. July 2011 fell by RM66 to close at RM3,218, while August 2011 declined RM68 to RM3,200. September 2011 eased by RM77 to RM3,193 and October 2011 slipped RM74 to RM3,198. Turnover rose to 27,666 lots from 20,420 lots on Wednesday, while open interest declined to 113,438 contracts from 115,216 contracts previously. (BTimes)

The ringgit closed sharply lower against the US dollar following weakening of the Asian currencies vis-a-vis the greenback due to continuing depreciation of the euro, dealers said. Dealers said the Singapore dollar, rupiah and ringgit broke key levels, suggesting that these currencies are vulnerable for further declines. The ringgit eased sharply against the US dollar to 3.0430/0460 from 3.0300/0330 on Wednesday. It was firmer against the Singapore dollar at 2.4499/4543 from 2.4534/4518 on Wednesday and lower against the yen at 3.7717/7773 from 3.7514/7574 before. The ringgit was higher against the British pound at 4.9093/9150 from 4.9392/9450 on Wednesday and firmer against the euro at 4.3001/3052 from 4.3447/3496 previously. (BTimes)

The US dollar and yen were set for a weekly gain against the majority of their most-traded peers as investors sought safer assets on concern about a slowing U.S. economy and before European leaders meet to discuss Greece. The euro traded 0.9 percent from a record low against the Swiss franc after European Central Bank President Jean-Claude Trichet reiterated his opposition to any Greek bailout that forces private investors to participate. The yen rose against 13 of its 16 major counterparts before a report that economists said will show U.S. consumers grew less confident. The dollar was unchanged at \$1.4204 per euro as of 8:17 a.m. in Tokyo from New York yesterday, when it reached \$1.4074, the strongest since May 26. It has climbed 1 percent this week. The greenback fetched 80.59 yen from 80.63. The yen rose 0.1 percent to 114.45 per euro, headed for a 0.7 percent advance since June 10. The euro yesterday fell to a record low of 1.19466 francs before trading at 1.20476. (Bloomberg)

Oil gained for a second day in New York after reports showed U.S. housing starts rose more than forecast in May and fewer Americans filed applications for unemployment benefit, signalling fuel demand may increase. Futures climbed as much as 0.3 percent after gaining 0.2 percent yesterday as the Labor Department said jobless claims fell by 16,000 to 414,000 in the week ended June 11. Work began on 560,000 houses at an annual pace, up 3.5 percent from the prior month and exceeding the 545,000 median forecast of economists surveyed by Bloomberg News, Commerce Department figures showed. Oil prices are down 4 percent this week. Crude for July delivery climbed as much as 32 cents to US\$95.27 a barrel in electronic trading on the New York Mercantile Exchange at 9:09 a.m. Sydney time. The contract yesterday gained 14 cents to \$94.95, the highest since June 14. Prices are heading for the biggest weekly decline in six weeks. (Bloomberg)

Major US and UK Equity Indices

| Index | Day Close | Change | Change (%) | Index | Day Close | Change | Change (%) |
|---------|-----------|--------|------------|-----------|-----------|--------|------------|
| DJIA | 11961.50 | 64.25 | 0.54 | Nasdaq CI | 2623.70 | -7.76 | -0.29 |
| S&P 500 | 1267.64 | 2.22 | 0.18 | FTSE 100 | 5698.81 | -43.74 | -0.76 |

Global and Local Headlines

Australian stock futures rose after a drop in U.S. jobless claims and growth in housing starts tempered concern the recovery in the world's biggest economy is faltering and amid speculation Greece may avoid a default. James Hardie Industries SE (JHX), the largest seller of home siding in the U.S., may rise on optimism that a slowdown in that nation's economy is easing. American depositary receipts of Toyota Motor Corp., the world's largest carmaker, climbed 0.3 percent from the closing share price in Tokyo. Those of Hitachi Ltd., which makes electronic equipment and machinery, gained 0.4 percent. Futures on Australia's S&P/ASX 200 Index rose 0.2 percent as of 6:59 a.m. today. Futures on Japan's Nikkei 225 (NKY) Stock Average were bid in the pre-market at 9,410 at 8:05 a.m. in Osaka, compared with 9,411.28 at yesterday's close. New Zealand's NZX 50 Index was little changed in Wellington (Bloomberg)

Perusahaan Otomobil Kedua Sdn Bhd (Perodua) is optimistic of selling 8,500 units of its second-generation Myvi model per month, having registered about 10,000 bookings since June 4. Managing director Datuk Aminar Rashid Salleh said he expected the new Myvi to continue the sales momentum of the previous generation Myvi. "Almost 50% of our sales is from the Myvi (and) we hope this new model will continue the momentum," he said at a briefing prior to the launch of the new Myvi yesterday. The new 1.3-litre Myvi comes in Standard, Premium and Elegance variants in both automatic and manual transmissions. The on-the-road (OTR) price range for the new generation model is from RM43,900 for the standard manual transmission to RM57,400 for the elegance automatic transmission. (Star)

Merge Energy Bhd's (MERGE) wholly-owned subsidiary, Mewah Kota Sdn Bhd, has accepted a letter of award to formalise a contract for the construction and completion of Panching Water Treatment Works in Kuantan. The project's total value is RM38.1mil and it is expected to complete by Aug 12, 2013. In a filing to Bursa Malaysia yesterday, Merge Energy said the letter of award came from the East Coast Economic Region Development Council. "The project will contribute positively to the earnings of Merge Energy for the financial year ending Jan 31, 2012 and 2013," it said. (Star)

UEM Land Holdings Bhd (UEMLAND) has set a headline key performance indicator (KPI) target to achieve 50% year-on-year growth in revenue to RM1.66bil and 10% return on equity this year. "The headline KPI numbers are our aspiration goals," managing director and chief executive officer Datuk Wan Abdullah Wan Ibrahim said after the company's AGM yesterday. He believed the target was "very achievable", given the combined financial performance of UEM Land and its newly acquired wholly-owned subsidiary, Sunrise Bhd. "With the acquisition of Sunrise, we are the biggest property player in terms of market capitalisation. But we do not have the earnings to show yet but we hope to surpass our competitors in the near future," Wan Abdullah said.

Shares of **Muhibbah Engineering** (MUHIBAH) plunged 20% or 38 sen yesterday on news that Asia Petroleum Hub (APH), a big client that owes money, was in receivership. The stock closed at RM1.52 with 74.35 million shares traded. APH had been put under receivership mainly because it could not come up with other investors to help fund the development and repay its debt. The news said APH had secured in 2006 a RM1.4bil three-year bridging loan but has been looking for RM2bil in additional funding following escalation of the project cost. It has been placed under a receiver -Malaysian accounting firm BBDO-Binder. Favelle Favco Bhd, also slumped on the negative buzz surrounding its parent company. Favelle Favco shares shed 19 sen to RM1.61 a share. (Star/BTimes)

RGB International Bhd (RGB), a Malaysian maker and servicer of gaming machines, had the ratings on its debt downgraded at RAM Rating Services Bhd. Its long-term rating was cut to BB2 from BBB and short-term rating to NP from P3, RAM said in a report. This is due to RGB's "persistently tight liquidity position and deteriorating balance sheet," it said. (BTimes)