



Mercury Securities Sdn. Bhd. (113193-W)

(A Participating Organisation of Bursa Malaysia)

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MARKET FLASH

Thursday, 2 June 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1525, 1507

Resistance : 1565

Bias : Uptrend

In the meantime, the core technical indicators are softening and may dip back inside the neutral zone. The MACD, however, continues to look positive, thereby leaving the overall outlook on a positive note. If the 1565 level were indeed breached, the next resistance is at 1576 while the support is at 1525.

COMMENTARY

Market slips as profit taking set in ... The key index fell for the second time this week as some investors took profit on earlier gains. However, they started on a strong note with FBMKLCI testing the 1560 level, but the upsides soon evaporated as follow through buying was noticeably absent and resulting in the market drifting in the red for the rest of the day. Despite the generally lackluster environment, RHBCap bucked the trend and gained 68 sen after CIMB and Maybank announced takeover bid for the nation 5th largest bank. Meanwhile, traded volumes continue to thin with losers once again outpacing gainers.

Consolidation setting in, but overall outlook remains positive ... The FBMKLCI's inability to penetrate the 1560 level has left the market looking tired.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,556.42	(1.87)
Volume (m)	795	
Value (RMm)	1,735	
Up	280	
Down	494	
Unchanged	288	
FOREIGN		
Nikkei	9719.61	25.88
Hang Seng	23626.43	(57.70)
STI	3172.87	12.94
Shanghai CI	2743.57	0.10

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
RHBCap	9.90	0.68
BldPlnt	6.10	0.67
BAT	47.28	0.40
SOP	3.90	0.23
Airport	6.59	0.22

Losers	Close (RM)	Chg(RM)
MFlour	8.00	(0.44)
PPB	17.10	(0.30)
TWS	9.10	(0.23)
APM	4.98	(0.22)
Faber	1.92	(0.19)

Actives	Close (RM)	Chg(RM)
Kbunai	0.19	(0.015)
Tenaga	7.10	(0.01)
Maybank	8.77	(0.14)
MAS	1.45	0.07
KNM	2.08	(0.05)

Current Stock Review

Hold – Digistar Bhd.

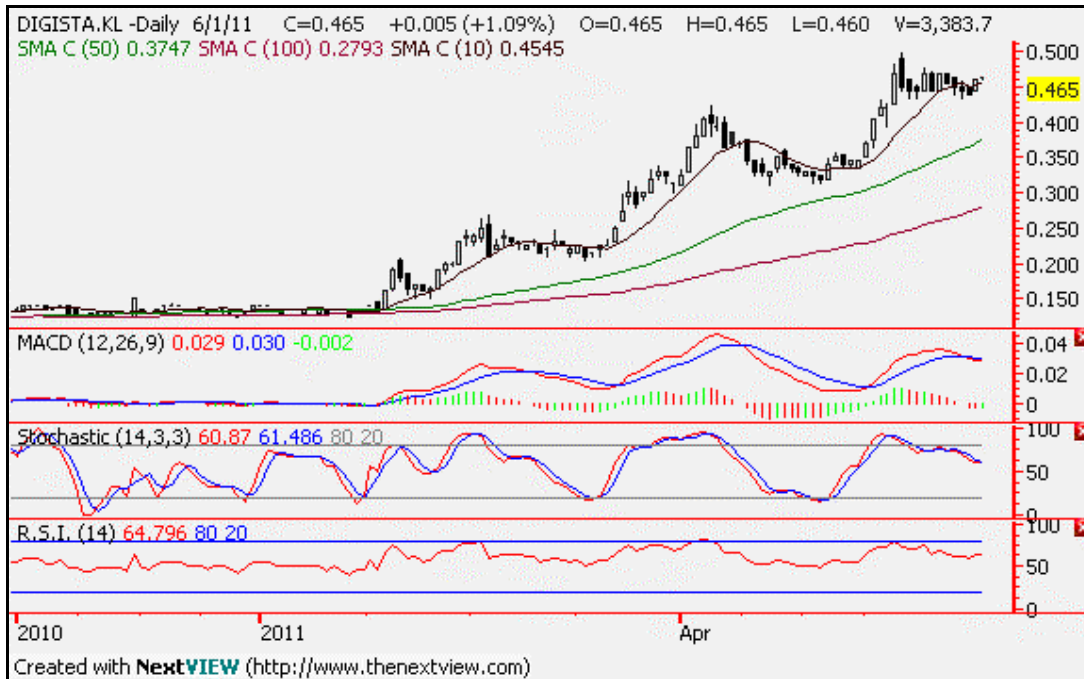


Chart wise:

Digistar Corporation Bhd (0029) – Technology – RM0.465.

Digistar's candle broke out of its RM0.45 level two weeks ago, prompting a trading buy call. However, follow through buying remains elusive and the candles have slipped to near RM0.45. As expected, both its core momentum indicators are sideways, while the MACD crossing the trigger line on the downside, a bearish signal.

Without any signs of a recovery as yet, the downside bias looks to sustain. For now, however, the stock is still worth to hold, but if the candles breach the RM0.45 support level, then its best to sell the stock. Below RM0.45, the other support is at RM0.40, while the resistance is at RM0.50.