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(A Participating Organisation of Bursa Malaysia)

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MARKET FLASH

Thursday, 31 Mar 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1474

Resistance : 1536

Bias : Sideway

As it is, the momentum indicators are still strengthening, suggesting that there is renewed hopes for the 1524-1536 gap to be closed. If the gap is indeed closed, it would not only indicate a possible new trend, but the buying interest could extend and place the market in good stead to chalk higher.

COMMENTARY

On the rebound ... The key index climbed nearly 1 % at one point yesterday and continuing on the previous day's advance as blue chips led the market up. The gains emanated mainly from domestic institutions' nibbling at heavyweights like Maybank, Genting, Petronas Dagangan, and Digi. The nibbling also extended to the broader market, resulting in gainers outpacing losers with a wide margin. In line with the strengthening market, traded volumes gained to above RM2.0 bn.

Testing the upper boundary ... Yesterday's runup has allowed the candle to breach the 50 day SMA of 1519 convincingly. This augurs well for the market ahead.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,531.63	11.54
Volume (m)	2,338	
Value (RMm)	2,482	
Up	671	
Down	241	
Unchanged	229	
FOREIGN		
Nikkei	9708.79	249.71
Hang Seng	23451.43	391.07
STI	3095.32	38.37
Shanghai CI	2955.77	(2.31)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Digi	28.46	0.54
JTInter	7.12	0.34
Panamy	21.40	0.24
MBSB	2.27	0.23
Warisan	2.60	0.20
Losers	Close(RM)	Chg(RM)
Nestle	47.00	(0.38)
Taann	6.76	(0.29)
LMCement	7.50	(0.27)
Jtiasa	6.34	(0.22)
CCM-WB	0.32	(0.18)
Actives	Close (RM)	Chg(RM)
SAAG	0.115	0.015
Perisai	0.88	0.07
Kbunai	0.24	0.015
Mpay	0.30	0.05
Leweko	0.265	0.005

Current Stock Review

Trading Buy – **SapuraCrest Petroleum Bhd.**



Chart wise:

Sapura Crest Petroleum Bhd (8575) –Trading/Services- RM3.69

Sapuracrest's candles have oscillated with RM3.40 and RM3.80 for the past week, and recovered to also take out the short-term resistance-turned-support of RM3.40 days ago. Expectedly, its indicators are on the climb and are looking to strengthen further, despite the stochastic already above the 50 pts mark. However, the runup continue to be strong with the candle strengthening on Wednesday.

With the positive outlook permeating, the upside bias looks to sustain with the stock worth a Trading buy. The resistance pegged at RM3.80 while the level of RM3.40 providing the interim support. Below that, the support is at RM3.30.

MAJOR NEWS

Commodity, Currency and Economic News

Australia's dollar reached a 10- month high versus the yen before government reports today forecast to show the economy is expanding. The so-called Aussie traded 0.3 percent from the strongest level versus the greenback since it was freely floated in 1983 as economists said today's data will show retail sales increased for a fourth month in February and home-building approvals climbed. New Zealand's currency touched a one-month high versus its U.S. counterpart as gains in stocks around the world boosted demand for higher-yielding assets. Australia's dollar gained to 85.77 yen at 10:50 a.m. in Sydney from 85.62 yen, after rising to 85.84 yen, the strongest level since May 5. It traded at \$1.0312 from \$1.0329 in New York yesterday, when it climbed to a post-float record of \$1.0338. (Bloomberg)

Japan's manufacturing shrank this month for the first time since the nation was pulling out of its last recession two years ago, underscoring forecasts for the economy to shrink in the aftermath of the March 11 earthquake. The index fell to 46.4 in March from 52.9, the Japan Materials Management Association and Markit Economics said in a joint release today. A number below 50 indicates a contraction. The March 11 quake and tsunami in northeastern Japan shut factories of companies from Toyota Motor Corp to Sony Corp, crippled a nuclear energy plant, and has led to a 7 percent drop in the Nikkei 225 Stock Average. An electricity shortage after the disaster may push Japan into a recession as even intact factories move to conserve power. (Bloomberg)

The yen fell for a sixth day against the dollar, the longest streak since November, before a report that economists say will show the U.S. job market continues to improve. The Japanese currency slumped against all of its 16 major counterparts on speculation Asian stocks will extend a global rally, reducing demand for safer assets. Australia's dollar traded 0.2 percent from the strongest level versus the greenback since it was freely floated in 1983 before government reports today forecast to show the economy is expanding. The yen slid to 83.15 per dollar as of 8:04 a.m. in Tokyo from 82.89 in New York yesterday. The Japanese currency dropped to 117.43 per euro from 117.10 after earlier touching 117.45, the lowest since May 13. The euro was at \$1.4122 from \$1.4127. (Bloomberg)

The ringgit ended firmer against the US dollar in line with gains on Bursa Malaysia, dealers said. At 5pm, the local unit stood at 3.0249/0255 against the greenback from 3.0255/0275 on Tuesday. Dealers said the undertone of the local unit remained firm buoyed by the stronger stock market. Meanwhile, the ringgit was traded mostly higher against other major currencies. It appreciated against the yen to 3.6414/6425 from 3.7032/7070 previously and rose against the Singapore dollar to 2.3943/3977 from 2.3997/3018 on Tuesday. The local unit appreciated against the euro to 4.2660/2672, from 4.2793/2827 on Tuesday, but weakened against the pound sterling to 4.8613/8632 from 4.8490/8528 previously. (BTimes)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives closed higher yesterday on improved sentiment, dealers said. They said the trading volume was higher as buyers anticipated prices to go up today following release of the report on major crop seedings by the US Department of Agriculture. At close, April 2011 gained RM49 to RM3,360 per tonne, May 2011 improved RM59 to RM3,330 per tonne, June 2011 jumped RM60 to RM3,312 per tonne and July 2011 went up RM55 to RM3,296 per tonne. (BTimes)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12350.60	71.60	0.58	Nasdaq CI	2776.79	19.90	0.72
S&P 500	1328.26	8.82	0.67	FTSE 100	5948.30	16.13	0.27

Global and Local Headlines

Japanese stock futures rose on optimism signs of a strengthening recovery in the U.S. will boost exporters. Australian stocks were little changed. American depositary receipts of Canon Inc., which receives 28 percent of its revenue from the Americas, gained 1.1 percent from its closing share price in Tokyo after a U.S. report showed companies added more workers this month. Those of Toyota Motor Corp., the world's biggest carmaker, rose 1 percent. ADRs of Hitachi Ltd. advanced 0.7 percent after the company agreed to consolidate its operations in hydroelectric-power generation with Mitsubishi Electric Corp. and Mitsubishi Heavy Industries Ltd. Lynas Corp., an Australian rare-earths miner, jumped 5.5 percent after securing loans and investment from two Japanese companies. (Bloomberg)

Greece's plan to raise billions of euros from state-owned land may fail if the government succumbs to pressure to keep assets in public hands. Finance Minister George Papaconstantinou said in an interview this month that he would prefer to offer developers long-term leases, though he'd consider selling smaller assets outright. On March 23, the government said it will give details of the fundraising plan "in the coming weeks." Papaconstantinou aims to generate 50 billion euros from state asset sales and property transactions by 2015 to reduce Greece's public debt, the highest in the European Union as a percentage of gross domestic product. Until now, its governments have shied away from real-estate divestments to avoid criticism from voters. (Bloomberg)

Three of **Ireland's** biggest banks may have to raise a combined 9 billion euros (US\$12.7 billion) in capital after stress tests are published today, said five people with knowledge of the matter. Bank of Ireland Plc, the country's biggest lender by market value, will seek as much as 5 billion euros, said two of the people. Irish Life & Permanent Plc will require more than 3 billion euros, while EBS Building Society will need about 1 billion euros, three people said. The people declined to be identified because the figures haven't been made public yet. All three companies are based in Dublin. Ireland's international bailout involved as much as 35 billion euros for its lenders, including Allied Irish Banks Plc (ALBK), which was the country's biggest lender by assets during the nation's decade-long boom. While it isn't yet known how much Allied Irish will need, the central bank told the company in November to raise 5.3 billion euros. The state will draw down about 20 billion euros, the Sunday Business Post said on March 27, without citing anyone. (Bloomberg)

Perisai Petroleum Teknologi Bhd's (PERISAI) acquisition of an oil and gas service provider from its former major shareholder and co-founder has raised some questions relating to valuations and the seemingly related party nature of it. On Tuesday, Perisai said it was acquiring Garuda Energy (L) Ltd from Nagendran Nadarajah for a total of RM212mil, to be paid for in cash and shares. Nagendran will end up with 11% in Perisai, having just sold his 19% stake in Perisai to Singapore-listed Ezra Holdings Ltd a year ago at 48.5 sen a share for a total of RM64mil. It isn't clear why he is coming back into a company that he left not long ago. Nagendran declined to comment. More significantly, at the time of Nagendran's exit from Perisai last year, he had acquired Garuda from Perisai at only US\$5mil. (Star)

JCY International Bhd (JCY) is in the midst of courting one of the world's leading electrical and electronic (E&E) companies from Japan as its new client. Non-independent executive director James Wong King Kheng said the company was confident of winning over the new client. In its financial year 2010, the company had secured contracts to supply hard disk drive (HDD) mechanical components to two new major customers in the E&E industry from Japan and South Korea. (Star)

Ireka Corp Bhd's (IREKA) wholly-owned subsidiary, Ireka Engineering & Construction Sdn Bhd (IECSB), has received a letter of award from Transmission Technology Sdn Bhd for a RM232.75mil contract. It told Bursa Malaysia that it was for architectural as well as mechanical and electrical works on the proposed offices and hotel development in Kuala Lumpur. IECSB received the letter of intent from Transmission Technology for its appointment of IECSB as contractor in November last year. (Star)

Berjaya Corp Bhd (BJCORP) posted a net profit of RM32.46mil in the third quarter ended Jan 31, 2011 compared with net loss of RM156.20mil a year ago on higher profit contribution from gaming, stock broking, direct selling, retail and distribution businesses. It told Bursa Malaysia yesterday that revenue for the period rose to RM1.77bil from RM1.66bil while earnings per share were 0.74 sen versus with loss per share of 3.75 sen. For the nine-month period, the group recorded net profit of RM244.47mil against net loss of RM64.47mil in the previous corresponding period. (Star)

Cypark Resources Bhd (CYPARK), the country's largest publicly traded renewable energy company, has submitted proposals to the government to take over as many as 32 non-sanitary landfills and to design, build and manage integrated waste disposal sites. "We submitted the proposals sometime late last year, and we expect to know the outcome for the landfills in the current financial year," Cypark group chief executive officer Daud Ahmad said in an interview with Business Times. Cypark, some 32.33 per cent controlled by Tan Sri Razali Ismail, currently manages 16 non-sanitary landfills. Daud said on the average, for a 8.09 hectares landfill, the government will pay as much as RM20 million for a company to close, upgrade and convert them. (BTimes)