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MARKET FLASH

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1500, 1474

Resistance : 1524

Bias : Positive

In the meantime, the technical outlook continues to weaken with its indicators all on the slide, indicating further weakness ahead. This may push the candles to breach the psychological 1500 and if so, the bearish spell will sustain longer and damping hopes for a quick rebounds. Below 1500, there is support at 1474, but if it gives way, the other support is at 1436.

COMMENTARY

Down, but mixed ... The FBMKLCI continues to lose ground on the back of persistent selling of heavyweights. The key index reversed its position and even succumbing to a low of 1513.73 in the morning session. As usual, the round of last minute trades helped to cushion the index's fall. Proton maintained its downward trek, losing 9 sen after reporting losses. Malaysia Airlines, also beset by lower profits, fell marginally.

Bears still rule. The FBMKLCI's weakness is still ringing loud as sentiments remains frail, which will keep most investors away from the market. As it is, investors are still digesting the impact of higher crude oil prices.

Tuesday, 8 Mac 2011

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,515.74	(6.87)
Volume (m)	714.80	
Value (RMm)	1097.33	
Up	184	
Down	584	
Unchanged	243	
FOREIGN		
Nikkei	10505.02	(188.64)
Hang Seng	23313.19	(95.67)
STI	3066.52	5.21
Shanghai CI	2996.21	53.90

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Kulim-WC	0.91	0.305
PetDag-CA	1.11	0.14
Subur	2.32	0.14
Panamy	18.86	0.12
PetDag	14.30	0.10
Losers	Close(RM)	Chg(RM)
F & N	15.76	(0.36)
Dlady	15.80	(0.34)
LM Cement	7.12	(0.19)
Mudajya	4.58	(0.15)
Nilai	0.85	(0.15)
Actives	Close (RM)	Chg(RM)
SAAG	0.09	(0.01)
Tanco	0.32	(0.03)
HWGB	0.55	(0.045)
Olympia-WA	0.215	(0.035)
DRBHcom-CD	0.135	0.015

Current Stock Review

Trading Buy Opportunities– **DRB Hicom.**

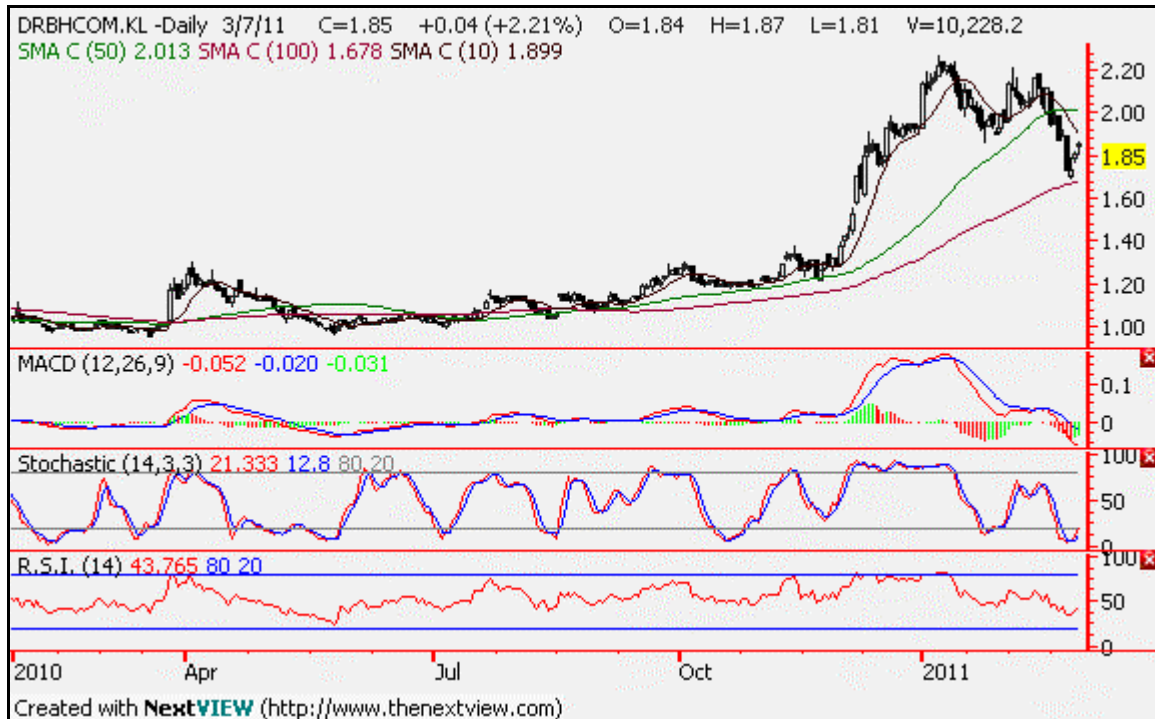


Chart wise:

DRB Hicom Bhd (1619) –Industrial Product- RM1.85.

DRB Hicom's share price has been on the downtrend since forming a "double top" a month ago. Its downtrend is also in a channel formation and the falls has brought the stock to near its level. However, there seems to be support as the share price is above the uptrend line formed since last year.

The slight recovery has also helped its momentum indicators to turn up, especially the oversold stochastic. This may be a prelude for further recoveries in the short-term, but the upsides do not appear strong for now and the candle may continue to track the uptrend line. Still, this provides Trading buy on weakness opportunities so long as it stays above the trendline. The resistance is at RM2.00. The support meanwhile is at RM1.70.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives closed higher yesterday, in line with the firmer crude oil prices, dealers said. They said crude oil prices are expected to trade higher due to the political unrest in Libya. Another dealer said CPO prices are expected to trade higher during the three-day Palm and Lauric Oils Conference & Exhibition Price Outlook 2011-2012 which began yesterday. March 2011 and April 2011 rose RM41 each to RM3,750 and RM3,730 a tonne while May 2011 and June 2011 gained RM35 to RM3,695 and RM3,665. (BTimes)

The ringgit closed lower against the US dollar yesterday on a lack of commercial demand for the local unit as investors preferred to hold the greenback due the uncertainties in the global market, dealers said. The ringgit was quoted at 3.0300/0330 against the US dollar from 3.0280/0300 on Friday. A dealer said the ringgit's performance was in line with the downtrend on the local equity market. He said investors are waiting for Bank Negara Malaysia's Monetary Policy Meeting on March 11. The ringgit was traded lower against the Singapore dollar at 2.3911/3954 from 2.3893/3913 last Friday and declined against the yen to 3.6902/6947 from 3.6707/6754 previously. The local currency depreciated against the euro to 4.2393/2441 from 4.2262/2296 last Friday. (BTimes)

Oil fell for the first time in three days in New York after a report that Libyan leader Muammar Qaddafi offered to relinquish power. The interim council set up by rebels who oppose the rule of Qaddafi rejected the offer for him to step down, while guaranteeing safe passage for himself and his family, al-Jazeera reported, without saying how it obtained the information. Oil futures declined as much as 0.9 percent to US\$104.47 a barrel. Crude for April delivery fell 74 cents, or 0.7 percent, to \$104.70 a barrel, in electronic trading on the New York Mercantile Exchange at 10:26 a.m. Sydney time. Yesterday, the contract gained \$1.02 to \$105.44, the highest settlement since Sept. 26, 2008. Prices are 28 percent higher from a year ago. (Bloomberg)

The Australian dollar held losses against most of its major counterparts as oil at a 29-month high triggered decline in shares around the world, sapping demand for higher-yielding assets. The so-called Aussie fell for a third day yesterday against the greenback as fighting intensified between Libyan rebels and troops loyal to Muammar Qaddafi, spurring concern oil supply disruptions will spread through the Middle East. New Zealand's dollar was 0.5 percent from the lowest level since September versus the yen as the nation's budget deficit in the seven months through January was wider than forecast. Australia's currency fetched \$1.0120 as of 9:56 a.m. in Sydney from \$1.0119 in New York yesterday. It bought 83.32 yen from 83.21 yen. (Bloomberg)

The euro may extend this year's rally to a four-month high against the dollar after a brief pause, Forecast Pte said, citing trading patterns. The euro traded at \$1.3961 as of 8:19 a.m. in Tokyo after climbing to \$1.4036 yesterday, the strongest level since Nov. 8. The currency rose 1.7 percent last week, a third weekly advance, and has appreciated 4.3 percent this year. (Bloomberg)

European manufacturing growth accelerated to the fastest pace in more than 10 years in February, a further sign the economy is gathering strength. A gauge of manufacturing in the euro region rose to 59 last month from 57.3 in January, London-based Markit Economics said in an e-mailed report today, confirming a Feb. 21 estimate. That's the highest since June 2000. A reading above 50 indicates expansion. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12090.00	-79.85	-0.66	Nasdaq CI	2745.63	-39.04	-1.40
S&P 500	1310.13	-11.02	-0.83	FTSE 100	5973.78	-16.61	-0.28

Global and Local Headlines

The cost of insuring **Greek debt** against default rose to a record after Moody's Investors Service cut the country's credit rating by three notches. The Finance Ministry in Athens called the move, which sent its rating to B1 from Ba1, "completely unjustified." Moody's said lagging tax collection and "implementation risks" would make it more difficult to reach budget-cutting targets in a 110 billion-euro (US\$154 billion) bailout. "The risk has materially increased of a default event," said Sarah Carlson, Moody's senior analyst for Greece, said in a telephone interview today from London. "Our central view is that the Greek government will achieve its objectives and it won't need to impose losses on credits, but there are material risks to that outcome." (Bloomberg)

Trading in the shares of **Berjaya Retail Bhd** (BJRTAIL) was suspended yesterday pending a material announcement. The company yesterday requested for a suspension of trading of its securities for three market days, from 9am on Monday until 5pm tomorrow. (Star)

Sunway Holdings Bhd's (SUNWAY) unit Sunway Construction Sdn Bhd (SunCon) has secured a contract worth RM74.1mil from Bio-XCell Sdn Bhd to undertake the engineering, procurement, construction and commissioning of a central utilities facility at Biotechnological Park Bio-XCell in Nusajaya, Johor. "The proposed project is targeted to be completed by May 25, 2012. "It is expected to contribute positively to the earnings of Sunway group for the financial year ending Dec 31, 2011 onwards," Sunway Holdings said in a note to Bursa Malaysia yesterday. (Star)

Multi Sports Holdings Ltd (MSPORTS) plans to sponsor a Taiwan depository receipt programme (TDR) that would represent up to 67.50 million new shares of 5 US cents each or 15% of its current paid-up share capital. The company told Bursa Malaysia yesterday that it would issue up to 67.50 million new shares at an issue price to be determined later, which would be the underlying shares for the programme. Multi Sports said the TDR would be offered to investors in Taiwan, adding that the ratio would be two TDR for every one underlying share. The issue size is up to 135 million units of TDRs represented by up to 67.5 million underlying shares. (Star)

Penang based **Golden Frontier Bhd** (GFB) is exiting Vietnam and training its sights back home with fresh investments, 14 years after venturing into the country's packaging industry and ploughing an estimated US\$6 million (RM18.18 million) there. Executive chairman and group managing director Datuk Khor Ten Haw said new investments will include a RM400 million new paper mill in Nibong Tebal on mainland Penang and a RM150 million corrugating plant in the central region. "It is only once we have established ourselves as an integrated paper player and strengthen our position in Malaysia that we will look at expanding regionally," Khor said after the company's 38th shareholders' meeting in Penang yesterday. During the meeting, Khor told shareholders that the devaluation of the Vietnamese dong and the shrinking margins caused by stiffer competition had resulted in the company deciding to sell its Vietnam plant to Thai Containers Group Company Ltd. He said the offer price of US\$21 million (RM63.63 million) made by the purchaser represented a very good exit value. (BTimes)

Ranhill Bhd (RANHILL) has yet to calculate the potential cost overruns of its US\$1.2 billion (RM3.64 billion) Tajura housing project in Libya, its senior executive said. Ranhill was supposed to deliver phase one of the project in Tripoli, comprising 87 apartment blocks with 1,344 units, by July this year, its latest annual report showed. Executive vice-chairman and executive director Datuk Chandrasekar Suppiah said the group's operation had been suspended until peace is restored in the country. "We have not measured the other impacts the project might have on us. In the last two weeks, our focus was on safety and security of the employees at the project site," he told Business Times yesterday. Prior to the crisis, Ranhill had some 2,652 workers of various nationalities and more than 500 Libyans working at the project site. The project contributed less than 10 per cent to the group's net profit and revenue last year. (BTimes)

Sime Darby Bhd (SIME) has identified the Languedoc-Roussillon region in France as a potential site to build its multi-feedstock vegetable oil processing plant. The move was part of its strategy to expand into key areas around the world, Sime Darby said in a statement yesterday. Group president and group chief executive Datuk Mohd Bakke Salleh said the proposed plant will help meet the growing demand for edible oils in Southern Europe and North Africa. (BTimes)