



# Mercury Securities Sdn. Bhd.(113193-W)

(A Participating Organisation of Bursa Malaysia)

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# MARKET FLASH

Tuesday, 29 Mar 2011

## FBM KLCI DAILY CHART



### TECHNICAL INDICATIONS

Support : 1474      Resistance : 1527  
Bias : Sideway

*Technically, the neutral bias is still unfolding, albeit some weakness signs emerging, but the FBMKLCI should be confined between the level of 1510 and 1527. Its candle has also broken out of the 10 day SMA at 1504, thereby augmenting the positive outlook, while volumes remain encouraging.*

### COMMENTARY

**Still going nowhere, FBMKLCI slips slightly ...** The key index's nonchalant trend continues as index heavyweights lost ground. However, there was no lack of interest as lower liners garnered renewed trading interest. Iris Corp continued to lead the most active list again. Other ACE market stocks like DigiStar were also chased up. Meanwhile Petronas Chemical gained further ground and helped to push its prices up by 12 sen.

**More of the same, flat trend ...** Yet again, the market went nowhere, leaving the indifference to take a grip. As we have noted, the market is devoid of catalyst to push it higher and this could be the case until the Sarawak state election is completed next month.

## MARKET STATISTICS

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,514.25	1.71
Volume (m)	1,281	
Value (RMm)	1,613	
Up	371	
Down	380	
Unchanged	304	
<b>FOREIGN</b>		
Nikkei	9478.53	(57.60)
Hang Seng	23068.19	(90.48)
STI	3057.38	(13.46)
Shanghai CI	2984.01	6.19

## BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Subur	3.44	0.58
TaAnn	6.49	0.49
Jtiasa	6.16	0.36
Digi	27.90	0.20
Pacmas	5.94	0.15

Losers	Close(RM)	Chg(RM)
Nestle	46.60	(1.26)
BAT	47.70	(0.30)
Paos	0.665	(0.125)
CCB	4.60	(0.12)
MHB	6.77	(0.09)

Actives	Close (RM)	Chg(RM)
Iris	0.195	0.015
HWGB	0.695	0.01
Digista	0.32	0.02
JCY	0.735	0.07
Kbunai	0.225	0.005

### Current Stock Review

#### Trading Sell – Tenaga Nasional Bhd.



#### Chart wise:

#### Tenaga Bhd (5347) –Trading/Services- RM6.00.

Tenaga had been trading within a down trending channel and although it attempted a breakout, it failed to sustain and fell back into the channel. As a result, it is now trading below its 5 and 10-day moving averages and with the uncertainties surrounding its coal supply, its prices is likely to be capped pending a positive outcome.

Support is pegged at RM5.76 should the selling pressure intensified below the RM5.94 level. At best, it is expected to consolidate sideways or down if it breaks the RM5.94 support. Given it unexciting technical prospects, Tenaga currently a technical trading sell.

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## MAJOR NEWS

### Commodity, Currency and Economic News

The Consumer Price Index (CPI), the official barometer of the inflation, accelerated by 2.9 per cent in February, raising market expectations for interest rates to hike in May. It came within the 2.5 to 3.5 per cent average range forecasted by Bank Negara Malaysia, and economists expect the central bank to start raising interest rates from May 5. However, the inflation level in Malaysia was still moderate compared to other economies in the region such as Vietnam and Singapore, he said. The Statistics Department said the index had increased from 99.4 in February 2010 to 102.3 in February 2011. Compared to January, it increased by 0.5 per cent. (BTimes)

The ringgit closed little changed to the US dollar yesterday in thin interest after having peaked at a 13-year high last week. At 5pm, the local unit stood at 3.0250/0272 against the greenback from 3.0250/0280 last Friday, when it breached the 1997 pre-economic crisis level of 3.04. Dealers said the ringgit is expected to move in line with regional currencies, while the US dollar would ride on the optimism of the US economic recovery following a rise in February consumer spending. Meanwhile, the ringgit was traded firmer against other major currencies. It appreciated against the yen at 3.7026/7057 from 3.7240/7300 last Friday and was also higher against the Singapore dollar at 2.3957/3993 from 2.3966/4009 previously. (BTimes)

Crude palm oil (CPO) futures prices on Bursa Malaysia Derivatives ended slightly higher in thin trade yesterday. "The morning session opened higher, but pared down its gains towards the close," a dealer said, adding that speculators were sidelined awaiting fresh data from the market. At close, April 2011 gained RM15 to RM3,335 per tonne, May 2011 increased RM13 to RM3,301 per tonne, June 2011 added RM21 to RM3,282 per tonne and July 2011 climbed RM20 to RM3,272 per tonne. (BTimes)

The yen traded within 0.1 percent of a one-week low against the dollar before reports this week that economists said will show U.S. employers added jobs and French consumer spending rebounded. The yen fell against 14 of its 16 major counterparts as signs that growth is quickening elsewhere in the world reduced demand for the Japanese currency as a refuge. The dollar was about 0.4 percent from a one-week high against the euro before Federal Reserve Bank of St. Louis President James Bullard speaks today and as futures traders boosted bets on higher U.S. rates. The yen was at 81.73 per dollar as of 8:17 a.m. in Tokyo from 81.69 in New York yesterday when it fell to 81.85, the weakest since March 18. Japan's currency traded at 115.04 per euro from 115.08. The dollar was at \$1.4078 per euro from \$1.4087 yesterday, when it rose to \$1.4021, the highest since March 18. (Bloomberg)

The Australian and New Zealand dollars maintained yesterday's decline against the greenback after U.S. equities fell and on speculation their recent gains were excessive. The so-called Aussie retreated after yesterday touching the highest level since it began trading freely in 1983 as a gauge of commodities weakened, ending an eight-day advance. Declines in the New Zealand dollar were limited after a report showed exports increased by more than economists forecast. Australia's dollar traded at \$1.0249 at 9:28 a.m. in Sydney, from \$1.0244 in New York yesterday, when it reached a record \$1.0315. The currency fetched 83.81 yen from 83.69 yen. New Zealand's dollar fetched 75.11 U.S. cents from 75.13 cents yesterday, when it fell 0.3 percent. It traded at 61.41 yen from 61.37 in New York. (Bloomberg)

Oil traded near the lowest in almost a week in New York because of speculation that territorial gains by Libyan rebels may speed up a resolution to the country's armed conflict. Futures fell for a third day yesterday after rebel forces advanced westward with support from NATO air strikes on Sirte, the hometown of Muammar Qaddafi, as leaders of France and the U.K. declared that the Libyan leader "must go immediately." Prices have climbed 22 percent since anti-government protests began Feb. 15 in Libya. Crude for May delivery was at \$103.86 a barrel, down 12 cents, in electronic trading on the New York Mercantile Exchange at 10:01 a.m. Sydney time. Yesterday, the contract fell \$1.42, or 1.4 percent, to \$103.98, the lowest since March 22. Oil is up 14 percent for the quarter and 26 percent higher the past year. (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12197.90	-22.71	-0.19	Nasdaq CI	2730.68	-12.38	-0.45
S&P 500	1310.19	-3.61	-0.27	FTSE 100	5904.49	3.73	0.06

### Global and Local Headlines

Japanese stock futures fell amid concern the nation is struggling to prevent a meltdown at a nuclear plant after potentially fatal radiation levels were detected nearby. Australian stocks declined. American depository receipts of Sharp Corp., a maker of flat-screen panels, lost 1.8 percent from its closing share price in Tokyo. Those of Mitsubishi Corp., Japan's biggest trading company, dropped 2.1 percent. BHP Billiton Ltd., the world's No. 1 mining company, slid 0.7 percent in Sydney today after metal prices declined. Yen-denominated futures on Japan's Nikkei 225 (NKY) Stock Average expiring in June closed at 9,355 in Chicago yesterday, compared with 9,410 in Osaka, Japan. They were bid in the pre-market at 9,350 in Osaka at 8:05 a.m. local time. Australia's S&P/ASX 200 Index retreated 0.2 percent today. New Zealand's NZX 50 Index slid 0.1 percent in Wellington. (Bloomberg)

The cost of bailing out Portugal varies according to who makes the calculation. No one will know the real price until officials from the International Monetary Fund and the European Central Bank tell us. But it isn't the actual amount that counts. It is the price the euro area is paying for having a single currency. And on that measure, a rescue package for the beleaguered Portuguese economy comes with far too high a price tag attached. It will raise too many questions about whether the euro can ever be made to work; it will mean there is no longer a firewall that stops the crisis from spreading to Europe's core; and the Portuguese don't seem willing to accept the same type of austerity package that Greece and Ireland got. For all three reasons, the last thing the euro area can deal with right now is a Portuguese rescue. It now seems inevitable that Portugal will be forced to accept a bailout from the rest of the euro area. Last week, the country's parliament rejected the package of budget cuts proposed by Prime Minister Jose Socrates, prompting him to offer his resignation. Fitch Ratings and Standard & Poor's both lowered the country's debt rating, and bond yields soared. (Bloomberg)

Americans' spending increased more than forecast in February as incomes climbed, easing concern that rising food and fuel costs might derail the consumer demand that makes up 70 percent of the U.S. economy. Purchases increased 0.7 percent, the most since October, after advancing 0.3 percent the prior month, Commerce Department figures showed today in Washington. Another report showed the number of contracts to buy previously owned homes advanced for the first time in three months. More than half the gain in spending last month reflected higher prices, one reason it will be difficult for households to contribute as much to economic growth this quarter as last. At the same time, the U.S. added jobs for the sixth consecutive month in February and the unemployment rate fell to the lowest level since April 2009, helping cushion the blow from a pickup in inflation. (Bloomberg)

Boustead Holdings Bhd (BSTEAD) has proposed to pay RM100mil for a controlling stake in MHS Aviation Bhd, which has secured a RM3.1bil contract from Petronas Carigali to provide rotary wing aircraft, equipment and services. The proposed purchase of a 51% stake in MHS will pave the way for Boustead's entry into the oil and gas sector while allowing MHS to expand its fleet. Although the earnings from the venture will "not be significant to Boustead's bottomlines", it will complement the group's diverse portfolio of services. Besides the Petronas Carigali contract, MHS also has a three-year contract to provide helicopter services in Labuan and another in Mauritania. (Star)

SapuraCrest Petroleum Bhd (SAPCRE) posted a net profit of RM72.7mil for the fourth quarter ended Jan 31, which was 79.1% higher than RM40.6mil recorded in the same period last year. The company said in a filing with Bursa Malaysia that the higher profit was driven by better contribution from its installation of pipeline and facilities (IPF) division and improved performance of its marine services division. Revenue was up 25.9% to RM609.9mil from RM484.5mil a year ago mainly due to higher activities in the IPF and operations and maintenance divisions. The board has recommended a single-tier final dividend of 5.5 sen per share for the financial year ended Jan 31, 2011. (Star)

Silk Holdings Bhd (SILKHL) registered a loss after tax and minority interest of RM3.2mil for the second quarter ended Jan 31 compared with profit after-tax and minority interest of RM970,000 recorded in the previous corresponding quarter. Chairman Datuk Mohd Azlan Hashim said in a statement the loss was primarily due to significantly higher depreciation and amortisation cost amounting to RM10.7mil compared with RM7.1mil incurred in the previous corresponding quarter. This was brought about by the adoption of the new IC Interpretation 12 in compliance with accounting standards, which applies to all service concessions. (Star)

Smartag Solutions Bhd, en route to a listing on the ACE Market of Bursa Malaysia Securities Bhd on April 18, plans to implement its land checkpoint project in Thailand next month, its chief executive officer, Lim Peng Keong, said yesterday. He said Smartag, a radio frequency identification (RFID) solutions provider, had signed an agreement with Netbay Co Ltd to implement RFID container tracking systems at key Customs checkpoints in Thailand. "To date, we have set up the first phase of RFID infrastructure in Sadao, Suvarnabumi Free Customs Zone and Mukdahan Customs checkpoint in Thailand. "We have begun the pilot project and anticipate to embark on commercialisation stage next month," Lim told reporters at a media briefing here yesterday. (Star)

ECS ICT Bhd (ECS) has been awarded distribution rights by Apple Inc's iPad in Malaysia from April this year. ECS said the distribution rights for the iPad would enable the company to expand the suite of Apple products including the MacBook notebooks, iMac desktop and iPod offered through its ICT channel nationwide. (BTimes)

Jaya Tiasa Holdings Bhd's (JTIASA) group level net profit for the nine months ended January 31 2011 surged more than four times to RM92.42 million from 17.59 million in 2010. Group revenue for the financial period in question stood at RM615.39 million versus RM556.38 million previously. Jaya Tiasa's net asset per share, meanwhile, stood at RM4.14 a share. (BTimes)

Khazanah Nasional Bhd has shortlisted three companies to buy its 32.21 stake in Pos Malaysia Bhd (POS), the country's sole national postal service company, people familiar with the tender process said yesterday. Business Times understands that the shortlisted parties will make a second and final presentation today. The three are DRB-HICOM Bhd, Nationwide Express Courier Services Bhd and a joint venture between Amanah Reit Bhd and loss-making Malaysia Pacific Corp Bhd. (BTimes)