



Mercury Securities Sdn. Bhd.(113193-W)

(A Participating Organisation of Bursa Malaysia)

Butterworth Office

Wisma Umno
Lorong Bagan Luar 2
12000 Butterworth
Seberang Perai
Tel: 04-3322123

KL Branch

L-7-2, No.2 Jln Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Tel: 03-62037227

Melaka Branch

No 81B & 83B
Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel: 06-2921898

Penang Branch

2nd Floor
Std Chartered Bank
2 Lebuh Pantai
10300 Penang
Tel: 04-2639118

Johor Branch

Suite 17.1 Level 17
Menara Pelangi
Tmn Pelangi
80400 Johor Bahru
Tel: 07-3316992

MARKET FLASH

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1490,1475

Resistance : 1,506,1524

Bias : Downtrend

As it is, the momentum indicators are still strengthening, suggesting that there is renewed hopes for the 1506 to be breached convincingly in the near term. If the 1506 were indeed breached, it would not only indicate a possible new trend, but also the end of the bearish spell which has dogged the key index. The resistance is at 1524, while the support is at 1475.

COMMENTARY

On the rebound ... The key index climbed nearly 1 % at one point yesterday and nullifying the previous day's weakness as blue chips led the market up. The gains emanated mainly from domestic institutions' nibbling at heavyweights like CIMB, KLK and Petronas Chemicals after oil prices fell. The nibbling also extended to the broader market, resulting in gainers outpacing losers. Although the market gained ground, there was little difference in traded volumes, which remained light and in line with its recent daily averages.

Testing the upper boundary. Yesterday's runup has allowed the candles to test both the upper line of the bearish flag formation as well as the 1506 level.

Friday, 4 Mac 2011 MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,506.88	7.60
Volume (m)	1,065.52	
Value (RMm)	1523.78	
Up	503	
Down	252	
Unchanged	307	
FOREIGN		
Nikkei	10586.02	93.64
Hang Seng	23122.42	73.76
STI	3037.35	9.84
Shanghai CI	2902.98	(10.83)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
UtdPlt	17.30	0.30
Kulim-WC	0.305	0.30
Genp	7.99	0.29
Dlady	15.90	0.28
PPB	17.06	0.26
Losers	Close(RM)	Chg(RM)
TGoffs-WA	0.84	(0.19)
Pacmas	4.65	(0.15)
CIHldg	2.95	(0.13)
BAT	48.74	(0.12)
TRC-WA	0.58	(0.10)
Actives	Close (RM)	Chg(RM)
Tanco	0.34	0.01
HWGB	0.585	0.00
Olympia	0.355	0.025
DBE-OR	0.005	0.00
HWGB-WB	0.53	0.00

Current Stock Review

Avoid – **Lion Industries.**



Chart wise:

Lion Industries Bhd (4235)-Industrial Products- RM1.68.

Lion Industries's share price plunged and breached the uptrend line formed since last year. The sell-down also resulted in its momentum indicators dipping into the oversold zone with no signs of a recovery as yet. Still there is a chance that the candles may find support at RM1.60 as the share is already oversold.

If so, it would then try to build up a base for a recovery. Failure to hold the level, meanwhile, will spell further weakness. For now Lion Industries is an Avoid until its prices stabilizes. The support is at RM1.60, while the resistance is at RM1.90.

MAJOR NEWS

Commodity, Currency and Economic News

Crude palm oil futures on Bursa Malaysia Derivatives ended higher yesterday, in line with the firmer soyabean prices on the Chicago Board of Trade, dealers said. A dealer said the trend persisted on market talk that China may consider a cut in import tariffs, which would increase demand for edible oils. March 2011 fell RM15 to RM3,650 a tonne, April 2011 went up RM6 to RM3,630, May 2011 chalked up RM10 to RM3,600 and June 2011 rose RM5 to RM,570. Turnover fell to 25,517 lots from 35,869 lots on Wednesday while open interests shed 104,004 contracts from 104,263 previously. (BTimes)

The ringgit closed higher against the US dollar yesterday following gains in Asian currencies, dealers said. The decline in crude oil prices amid easing geo-political tension in Libya lifted market sentiment in Asian markets and currencies, dealers said. As at 9.15am, the ringgit stood at 3.0330/0350 against the greenback from 3.0355/0385 on Wednesday. The ringgit was higher against the US dollar at 3.0300/0320 from 3.0355/0385 on Wednesday. It also gained against the Singapore dollar at 2.3877/3902 from 2.3879/3921 on Wednesday but eased against the yen to 3.7051/7080 from 3.7041/7096 on Wednesday. Against the British pound, the local unit rose to 4.9334/9370 from 4.9336/9391 on Wednesday but eased against the euro at 4.1938/1975 from 4.1826/1883. (BTimes)

The US dollar traded 0.2 percent from a one-week high against the yen before a report economists said will show U.S. employers last month added the most jobs since May, evidence that the economic recovery is gaining momentum. The U.S. currency rose against 12 of its 16 most-traded counterparts before a separate report forecast to show American factories received more orders for a third month. The euro reached its highest since November versus the yen after European Central Bank President Jean-Claude Trichet said the ECB may raise interest rates next month to counter inflation. "Non-farm payrolls should be a cracker number," said Matthew Brady, executive director for foreign exchange at JPMorgan Chase & Co. in Sydney. "You've got to start buying U.S. dollars across the board over the next three months, but probably not against the euro." The dollar traded at 82.39 yen as of 8:35 a.m. in Tokyo from 82.44 yen in New York yesterday when it touched 82.52 yen, the strongest since Feb. 24. The greenback was at \$1.3960 per euro from \$1.3969 yesterday. (Bloomberg)

The Australian dollar headed for the first weekly decline in three against the greenback amid signs the recovery in the U.S. labor market is accelerating, narrowing the yield advantage of assets in the South Pacific nation. The so-called Aussie held losses from yesterday when Prime Minister Julia Gillard said the currency's strength puts "burdens" on some parts of the economy, while a U.S. report today may show employment rose the most since May 2010. The New Zealand dollar fell against 13 of 16 major counterparts as the International Monetary Fund said it will "likely" cut its growth forecast for the country. Australia's currency weakened to \$1.0134 as of 10:24 a.m. in Sydney from \$1.0146 in New York yesterday. It has fallen 0.4 percent this week. The Aussie slid to 83.46 yen from 83.65 yen. (Bloomberg)

Oil in New York fell from a 29-month high after Venezuela offered to mediate the conflict in Libya, Africa's third-largest oil producer. Crude declined 0.3 percent on the Venezuelan proposal and after the Associated Press reported army deserters secured oil facilities in the rebel-held port of Brega on the Gulf of Sidra. Forces loyal to Libyan leader Muammar Qaddafi briefly seized, then lost control of, Brega yesterday. Crude for April delivery slid 32 cents to settle at US\$101.91 a barrel on the New York Mercantile Exchange. Prices have risen 26 percent in the past year. (Bloomberg)

U.S. service industries expanded in February at the fastest pace since 2005 and fewer Americans unexpectedly filed claims for jobless benefits, adding to evidence the U.S. recovery is gaining strength. The Institute for Supply Management's index of non-manufacturing businesses increased to 59.7 last month from 59.4 in January. A reading above 50 signals growth. The number of initial applications for unemployment insurance payments fell by 20,000 to 368,000 last week, the lowest since May 2008 and fewer than the most optimistic forecast in a Bloomberg News survey, figures from the Labor Department showed. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12258.20	191.40	1.59	Nasdaq CI	2798.74	50.67	1.84
S&P 500	1330.97	22.53	1.72	FTSE 100	6005.09	90.20	1.52

Global and Local Headlines

Stocks rallied, sending benchmark U.S. indexes to their biggest gains of the year, as oil slipped and reports signalled the global economy is strengthening. The euro climbed to a four-month high as the European Central Bank said an interest-rate increase may be needed to fight inflation. The Standard & Poor's 500 Index jumped 1.7 percent to 1,330.97 at 4 p.m. in New York, its biggest gain since Dec. 1, and the MSCI Emerging Markets Index increased for a fifth day in its longest rally in two months. The Stoxx Europe 600 Index pared gains amid concern borrowing costs will rise. The euro appreciated 0.7 percent to \$1.3961 and German two-year note yields jumped 23 basis points. Oil fell from its highest price in more than two years. Treasuries sank. U.S. equities advanced for the fourth time in five days after jobless claims unexpectedly fell, underscoring the Federal Reserve's assessment that the labor market is improving. Other reports showed American service industries expanded at the fastest pace in five years, retail sales topped estimates and South Korean industrial output grew. ECB President Jean-Claude Trichet said policy makers must exercise "strong vigilance" as inflation risks increase. (Bloomberg)

Bank Negara has not allowed the Employees Provident Fund (EPF) board to hold more than 45% of the paid-up share capital of RHB Capital Bhd (RHBCAP). In a note to Bursa yesterday, RHB Cap said that RHB Investment Bank Bhd and CIMB Investment Bank Bhd, on its (RHB Cap's) behalf, said that Bank Negara was not able to consider the EPF's application via a letter dated Feb 25. "Accordingly, EPF's irrevocable undertaking to subscribe under the rights issue shall be for a minimum of 45% of the total rights shares," it said. RHB Cap had proposed to acquire 80% of PT Bank Mestika Dharman for RM1.16bil and also a proposed put and call option for 9% of Bank Mestika. RHB Cap also proposed a renounceable rights issue of new shares of RM1 each in RHB Cap to raise about RM1.3bil. (Star)

Syarikat Prasarana Negara Bhd will be allocated a parcel of land in the proposed Sungai Buloh Rubber Research Institute Malaysia (RRIM) development project for commercial development as part of the "rail plus property" model being used to offset the cost of building the mass rapid transit (MRT), sources said. "Negotiations are ongoing between Prasarana and the Employees Provident Fund (EPF)," said one source. "The parcel of land (to be allocated) will be used to build the MRT's main depot but it will also include commercial development above and possibly around the depot, in the form of retail and office space," another source explained. Prasarana has been appointed the MRT project and asset owner. (Star)

With the launch of the new Apple iPad 2 at the same starting price as the first version, it was only natural that prices for the older models to drop. In Malaysia, prices for the first generation iPad has been reduced by RM350 for the iPad with Wi-Fi and by RM400 for the iPad with Wi-Fi + 3G. According to the Apple Store Malaysia, prices for the Wi-Fi only model now start from RM1,199 for the 16GB iPad, while the 32GB model and the 64GB model are now priced at RM1,499 and RM1,799 respectively. Meanwhile, the iPad with Wi-Fi + 3G start at RM1,599 for the 16GB model, while the 32GB model is priced at RM1,899 and the 64GB model is priced at RM2,199. (BTimes)

PPB Group Bhd (PPB), controlled by tycoon Robert Kuok, plans to spend RM140 million to expand its flour mills in Indonesia and Vietnam over the next two years. PPB owns eight mills, of which five are in Malaysia, one each in Vietnam and Indonesia, and one under an associate company in Thailand. Managing director Tan Gee Sooi said the group plans to double its Indonesian mill capacity to 2,000 tonnes daily with an investment of US\$30 million (RM91.50 million). "For our Vietnam plant, we plan to double capacity to 800 tonnes a day with an investment of RM50 million," Tan told reporters in Kuala Lumpur yesterday. He said its Indonesian business has enormous potential due to the republic's big population. "The last time we compared, the Indonesia operations are slightly more than one third of our Peninsular Malaysia operations and its utilisation rate stood at only 60 per cent compared with Peninsular Malaysia's up to 75 per cent." (BTimes)