



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

(A Participating Organisation of Bursa Malaysia)

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# MARKET FLASH

## FBM KLCI DAILY CHART



### TECHNICAL INDICATIONS

Support : 1475

Resistance : 1,505

Bias : Downtrend

*Despite the rebound, the index is still trading within the down trending channel and below the 5-day and 10-day moving averages. The downside pressure is still present as the indicators are still on the downtrend. However, there seems to be support to keep the index above 1490 but upsidess are limited.*

### COMMENTARY

**See sawing market ...** The market endured yet another erratic day as the FBMKLCI see-sawed between the 1474 and 1493 levels. Still, the market undertone was largely weak as there were more losers than gainers on most trading hour. The FBMKLCI, however, found support from institutions to help lift it off its lows and chalking up modest gains on last minute purchases. Sentiments were lower on renewed protest fears in Middle East as well as the indifferent Dow.

**Holding pattern again?** The envisioned market follow through with short-term recovery failed to materialize. This caused the FBMKLCI to oscillate within a tight trading band and if not for the late buying, the FBMKLCI could have easily slipped into the red.

Tuesday, 1 Mac 2011

## MARKET STATISTICS

	Close	Chg.
<b>LOCAL</b>		
FBM KLCI	1,491.25	1.98
Volume (m)	1,163.36	
Value (RMm)	2042.21	
Up	228	
Down	626	
Unchanged	223	
<b>FOREIGN</b>		
Nikkei	10624.09	97.33
Hang Seng	23338.02	325.65
STI	3010.51	(14.65)
Shanghai CI	2905.05	26.49

### BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
BAT	48.00	1.20
Digi	26.60	0.80
Petdag	13.50	0.36
Carlsberg	6.84	0.24
UMW	7.29	0.18
Losers	Close(RM)	Chg(RM)
Dlady	15.50	(0.40)
Bkawan	15.12	(0.38)
APM	5.00	(0.33)
MTD	11.00	(0.30)
FIMACOR	6.02	(0.28)
Actives	Close (RM)	Chg(RM)
TANCO	0.385	(0.015)
Tejari-WA	0.045	0.00
Jotech	0.14	(0.005)
Tranmil	0.07	(0.035)
HWGB	0.645	(0.015)

## Current Stock Review

### Caution – **Supermax Corporation.**



### Chart wise:

#### Supermax Corporation Bhd (7106)-Industrial Products- RM4.05.

Subject to the persistent weak sentiment for its stock, the share price of Supermax has been drifting down for the past six months. It has breached the previous support at RM4.16 on continuous selling activities that is a cause for concern.

In the medium term, the share price is expected to continue drifting in the absence of fresh impetus amidst cautious appetite for glove stocks. Should the share price fail to stage a recovery from current level, the next crucial support is at RM4.00. Hence, Caution is in order.

## ***MAJOR NEWS***

### **Commodity, Currency and Economic News**

**The ringgit** closed marginally higher at 3.0500/0530 against the US dollar yesterday compared with Friday's close of 3.0510/0540, a dealer said. The dealer said investors were squaring off on their ringgit positions due to the month end, resulting in limited gains for the local unit. He also said the ringgit took its cue from the lack of new developments regarding the unrest in Libya, as well as the weak performance of the greenback. The ringgit traded lower against the Singapore dollar at 2.3975/4026 compared to Friday's close of 2.3926/3955 and depreciated against the yen at 3.7275/7338 compared with 3.7230/7271 previously. It rose against the British pound to 4.9158/9232 from 4.9191/9246 on Friday and gained against the euro at 4.2081/2125 from 4.2107/2154 previously. (BTimes)

**Crude palm oil futures** on Bursa Malaysia Derivatives ended lower in reaction to weaker export data reported by two cargo surveyors, dealers said. Societe Generale de Surveillance said Malaysia's palm oil exports in February declined 9.1 per cent to 1,092,620 tonnes from 1,202,368 tonnes shipped last month. March 2011 fell RM15 to RM3,550 a tonne, April 2011 dropped RM23 to RM3,509, May 2011 lost RM43 to RM3,472 and June 2011 eased RM36 to RM3,459. Turnover fell to 26,407 lots from 29,810 lots last Friday while open interest declined to 106,228 contracts from 107,659 contracts previously. (BTimes)

**Japan's unemployment rate** held steady while payrolls rose in January, adding to signs the nation's recovery is gaining pace after a temporary slowdown. The jobless rate remained unchanged from the previous month at 4.9 percent, the statistics bureau said today in Tokyo. That figure matched the median estimate of 29 economists surveyed by Bloomberg News. Honda Motor Co. is among companies saying they will boost hiring as Japan's export-driven recovery gains steam. Improving sentiment among consumers about their job prospects helped household confidence rebound from a 10-month low in January, when retail sales unexpectedly increased. (Bloomberg)

**Oil** traded near a one-week low in New York after Saudi Arabia offered to make up for supplies lost because of unrest in Libya, which the world's biggest shipbroker said is still exporting crude. Futures slid 0.9 percent yesterday after Saudi Arabian Oil Co. Chief Executive Officer Khalid Al-Falih said the kingdom is ready to cover a shortfall. Most ships picking up Libyan cargoes have done so successfully in the past week, said Bob Knight, head of tankers at Clarkson Plc. Crude for April delivery was at US\$96.95 a barrel, down 2 cents, in electronic trading on the New York Mercantile Exchange at 10:37 a.m. Sydney time. Yesterday, the contract fell 91 cents to \$96.97, the lowest since Feb. 22. Prices gained 5.2 percent last month and are 23 percent higher than a year ago. (Bloomberg)

**U.S. consumer spending** cooled more than forecast in January as rising food and fuel prices caused Americans to cut back on post-holiday visits to malls and restaurants. Purchases rose 0.2 percent, the smallest gain since June, as winter storms may have also discouraged shoppers, according to figures from the Commerce Department today in Washington. A report from Chicago-area purchasing managers showed businesses expanded in February at the fastest pace in two decades. (Bloomberg)

**The US dollar** within 0.5 percent of a one-month low against the euro on speculation Federal Reserve Chairman Ben S. Bernanke will today express concern over the pace of jobs growth, damping demand for the nation's assets. The euro completed a third straight month of gains versus the greenback in February on prospects European Central Bank President Jean-Claude Trichet may indicate this week a readiness to increase interest rates. Australia's dollar was 0.2 percent from its highest in a month before China is forecast to report moderating manufacturing growth in February, easing pressure on policy makers to raise borrowing costs further to tame inflation. The dollar traded at \$1.3809 per euro as of 8:02 a.m. in Tokyo from \$1.3806 in New York yesterday, when it fell to as low as \$1.3856, the weakest since Feb. 2. It fetched 81.75 yen from 81.78 yen yesterday, when it completed a 0.3 percent monthly decline. Europe's 17-nation currency was little changed at 112.90 yen after rising 0.5 percent yesterday. (Bloomberg)

**Australia's dollar** was within 0.1 percent of a one-month high against the U.S. currency on speculation the central bank will indicate after its policy meeting today that borrowing costs may have to rise. Demand for the so-called Aussie was bolstered after the government forecast the nation's commodity exports may increase 14 percent to a record next fiscal year. New Zealand's dollar held onto yesterday's gain against the yen as rising stocks boosted the appeal of higher-yielding currencies. The Australian dollar traded at \$1.0178 as of 9:41 a.m. in Sydney from \$1.0186 in New York yesterday when it reached \$1.0193, the highest since Feb. 4. The Aussie was at 83.25 yen from 83.30 yen. (Bloomberg)

### Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12226.30	95.89	0.79	Nasdaq CI	2782.27	1.22	0.04
S&P 500	1327.22	7.34	0.56	FTSE 100	5994.01	-7.19	-0.12

### Global and Local Headlines

**Japanese stock futures** and Australian shares rose after a decline in oil prices eased concern about energy costs and U.S. data showing higher personal incomes boosted confidence in economic growth. American depositary receipts of Honda Motor Co., Japan's second-biggest carmaker, gained 0.8 percent from the closing share price in Tokyo. Those of Sony Corp., Japan's largest electronics exporter, advanced 0.7 percent. BHP Billiton Ltd., the world's No. 1 mining company, climbed 0.6 percent in Sydney. Futures on Japan's Nikkei 225 Stock Average expiring in March closed at 10,675 in Chicago yesterday, compared with 10,630 in Osaka, Japan. They were bid in the pre-market at 10,670 in Osaka at 8:05 a.m. local time. Australia's S&P/ASX 200 Index rose 0.2 percent today. (Bloomberg)

The U.S. and European nations solidified their support for **Libya's** opposition, promising humanitarian aid and planning for a no-fly zone, as leader Muammar Qaddafi declared that "my people love me" and suggested that the U.S. wants to occupy his country. The European Union today imposed an arms embargo and other sanctions, and the U.S. said it has frozen US\$30 billion in Libyan assets. The U.S. said refugee-aid teams were sent to Libya's borders while U.S. American naval and air units were being repositioned in the Mediterranean. U.S. Secretary of State Hillary Clinton met with ministers from the E.U. and Russia in Geneva. The actions by the U.S. and Europe, a major consumer of Libyan oil, were designed to pressure Qaddafi to quit. He has "lost the legitimacy to govern and it is time for him to go without further violence or delay," Clinton said. (Bloomberg)

**Maxis Bhd's** (MAXIS) net profit rose 21.3% to RM610mil for the fourth quarter ended Dec 31, 2010 from RM503mil previously due to increased contribution from the non-voice segment and a bigger subscriber base. Its revenue rose to RM2.31bil versus RM2.21bil previously. "The group recorded a quarter-on-quarter revenue growth of 4% or RM94mil primarily driven by an increase in non-voice revenue by RM84mil or 10% to RM893mil. This was contributed by advanced data services, short message service and wireless broadband businesses, partially offset by reduction in interconnect revenue," Maxis said in the notes accompanying its financial results. The telco's profit from operations stood at RM887mil while earnings per share were 8.10 sen against 6.70 sen posted a year ago. However, Maxis said the comparative figures did not represent a like-for-like comparison of the operational performance of the group because of the accounting treatment adopted for the business combination by Maxis, which was completed on Oct 1, 2009. (Star)

**Pos Malaysia Bhd's** (POS) net profit for the fourth quarter ended Dec 31, 2010 fell 59% to RM6.08mil from RM14.93mil in the previous corresponding period due to provisions for its investment in Transmile Group Bhd and a one-off impairment provision relating to capital expenditure of RM22.3mil incurred for its postal counter system. Revenue was higher at RM277.33mil from RM224.58mil a year earlier, it told Bursa Malaysia yesterday. Pos Malaysia said it registered a substantial growth of 16.9% in profit from operations of RM26.0mil (2009:RM22.2mil) for the quarter ended Dec 31, 2010, attributed to an increase in revenue by 23.5% from the preceding year's corresponding quarter. For the full year ended Dec 31, 2010, Pos Malaysia's net profit was down to RM67.11mil from RM 75.42mil in the previous corresponding period while revenue was higher at RM1.01bil from RM902.56mil previously. On its prospects, Pos Malaysia said it has implemented a new tariff structure for its regulated mail products with effect from July 1, 2010. (Star)

Shares of **Proton Holdings Bhd** (PROTON) fell 23 sen to a 14-month low of RM3.86 yesterday, its lowest since Dec 22, 2009, after the national carmaker posted losses in its third quarter ended Dec 31, 2010. Automotive analysts also revised downwards their earnings forecast for Proton's current financial year ending March 31, 2011 (FY11) following its poor financial performance. Proton suffered a net loss of RM60.1mil for its third quarter ended Dec 31 compared with a net profit of RM79.68mil a year earlier due mainly to higher branding costs and restructuring expenses incurred by its sports car division, Lotus Group International Ltd. Revenue fell 9% to RM1.83bil from RM2.01bil a year earlier. The costs incurred are part of Proton's (Star)

Process equipment manufacturer to the oil and gas industry **KNM Group Bhd** (KNM) expects the company's debt levels to fall further as unit Borsig GmbH is doing better now. KNM chief executive officer and executive chairman Lee Swee Eng said the company's overall debt levels (at RM1bil) were coming down now as Borsig was doing well. The company's plans to use Berlin-based Borsig, which was acquired in early 2008 for RM1.7bil, to expand business was somewhat derailed following the global economic recession, which saw oil prices drop as low as US\$33 a barrel from over US\$147. (Star)

**US stock markets** rose strongly on Monday, as mergers and acquisitions action boosted sentiment despite mixed data. The markets received an early boost from news that Blackstone Group would buy some US assets of Australia's Centro Properties Group for US\$9.4 billion and Australia's Equinox Minerals' was bidding for Canada's Lundin Mining. JPMorgan Chase was also said to be seeking a stake in social media site Twitter. Economic news appeared to have little impact on the markets. (BTimes)

Malaysia's fourth largest banking group **RHB Capital Bhd** (RHBCAP) is confident it can keep up its earnings growth momentum this year after showing record numbers last year, its chief said. The group's net profit rose by 18 per cent to reach an all-time high of RM1.42 billion last year, helped by robust loan growth and stronger income from investment banking activities. Its loans expanded by a solid 20 per cent, with domestic loans itself growing by 22 per cent compared with the industry's 13 per cent. "I strongly believe that between 15 per cent and 18 per cent (earnings growth) is something we can achieve," its outgoing group chief executive officer Datuk Tajuddin Atan told Business Times in an interview last week. He said earnings would be driven mainly by the group's retail banking and corporate investment banking businesses. (BTimes)