



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 Lebuhr 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 : 1519

Resistance : 1570

Bias : Consolidation

The key index is looking increasingly frail after its candle fell back inside the channel with its indicator slipping lower. Volume has failed to pick up in any meaningful quantum which cut short the rebound process. As the short-term 10-day moving average is still trending down, the downward direction still holds supreme.

COMMENTARY

FBMKLCI slips further but lower liners active... For the second successive day, the market succumbed to a selling spell with many heavyweights extending their losses. Part of the consolidation was due to the weakness in regional bourse, but the heightened interest on lower liners and penny stocks diverted attention from the heavyweights. Penny stocks that were active among retail clients are DBE, Hubline and Sumatec, on high volumes.

More of the same... Although the key index is faltering, sentiments are hardly affected as most investors are concentrating on the lower liners. The key index's weakness has also become less of a concern and irrelevant as a consequence.

Wednesday, 4 May 2011

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,531.47	(3.48)
Volume (m)	1,007	
Value (RMm)	1,247	
Up	255	
Down	519	
Unchanged	262	
FOREIGN		
Nikkei	10004.20	154.46
Hang Seng	23633.25	(87.56)
STI	3153.57	(26.29)
Shanghai CI	2932.19	20.68

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
F&N	18.38	0.68
Digi	29.60	0.52
Nestle	48.40	0.42
Panamy	23.00	0.30
Shang	2.90	0.22

Losers	Close (RM)	Chg(RM)
Cepco	1.90	(0.30)
MISC	7.50	(0.30)
HPI	2.96	(0.21)
PetDag	15.30	(0.18)
Genting	11.42	(0.18)

Actives	Close (RM)	Chg(RM)
DBE	0.09	(0.005)
HubLine	0.13	(0.01)
Sumatec	0.13	(0.12)
SAAG	0.095	0.00
E&O	1.50	0.08

Current Stock Review

Neutral – **Axiata Bhd.**



Chart wise:

Axiata Group Bhd (6888) – Trading /Services – RM4.93.

Axiata's candle has been well supported at around the RM4.70 level for some time and has climbed over the past two days to breach the short-term downtrend line yesterday. Its core indicators are also strengthening with the MACD crossing the trigger line on the upside.

As it is, there appears to be more upside in the near term and if the downtrend line resistance of RM5.00 is cleared, there are trading buy opportunities, otherwise we are neutral on the stock. Apart from the RM5.00, the other resistance is at RM5.20. The support is at RM4.80.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit traded slightly easier against the US dollar at close yesterday in dull trading amid lack of dollar-through-buying, dealers said. At 5pm, the ringgit was quoted at 2.9690/9720 against the dollar compared to Friday's 2.9600/9620 close. A dealer said market players were waiting to see how the US market would react yesterday. The local market was closed on Monday in lieu of the Workers' Day falling on Sunday. The ringgit was traded lower against the Singapore dollar to 2.4199/4240 from 2.4158/4197 on Friday and depreciated against the Japanese yen to 3.6662/6698 from 3.6345/6379 last week. It strengthened against the British pound to 4.8999/9049 from 4.9395/9441 Friday and advanced against the euro to 4.3977/4017 from 4.3992/4036 last week. (BTimes)

Crude palm oil (CPO) futures on Bursa Malaysia Derivatives rebounded yesterday on bullish April export figures, dealers said. Cargo surveyor Intertek Testing Services data showed the local palm oil exports increased 13.6 per cent to 1,255,392 tonnes in April from a month ago. Another surveyor, Societe Generale de Surveillance reported a 18.2 per cent increase in April exports. May rose RM36 to RM3,406, June added RM12 to RM3,312, while July and August gained RM1 each to RM 3,271 and RM3,257. Turnover fell to 14,358 lots from 24,567 lots last Friday. (BTimes)

The Dollar Index held onto yesterday's gains on speculation U.S. reports will show employers added jobs for a 15th month and growth in service industries quickened, underpinning the appeal of American assets. The yen weakened versus all of its 16 major counterparts as signs that the U.S. recovery remains on track sapped demand for Japan's currency as a refuge. The pound traded 0.2 percent from a one-week low versus the dollar before a U.K. report that may show a construction index fell for a third month, supporting the case for the Bank of England to keep interest rates low. The Dollar Index, which tracks the greenback against the currencies of six major U.S. trading partners was at 73.126 as of 8:25 a.m. in Tokyo from 73.124 in New York yesterday. It fell to 72.722 on May 2, the lowest level since July 2008. The U.S. currency traded at 81.03 yen from 80.94 yen. (Bloomberg)

The Australian and New Zealand dollars snapped two-day losses against the greenback as investors bought the currencies near a one-week low to benefit from the two nations' higher yields. Australia's currency was also bought as traders increased bets the central bank will raise interest rates over the next year. New Zealand's currency was buoyed after a government report showed home-building approvals rose in March, a sign record-low borrowing costs are boosting confidence in the housing markets. Australia's dollar traded at \$1.0853 as of 9:28 a.m. in Sydney from \$1.0845 in New York yesterday, after earlier dropping to \$1.0832, the weakest since April 27. The currency rose 0.2 percent to 87.94 yen. New Zealand's dollar was at 79.88 U.S. cents from 79.87 cents, and traded at 64.73 yen from 64.63. (Bloomberg)

Oil declined for a third day in New York, matching the longest losing streak since March, as U.S. crude stockpiles increased and equities slipped, leading to concern demand for fuel will fall. Futures dropped as much as 0.4 percent after the American Petroleum Institute said inventories climbed 3.2 million barrels last week. An Energy Department report today may show supplies rose for a second week, according to a Bloomberg News survey of analysts. The Standard & Poor's 500 Index fell for a second day. Crude for June delivery declined as much as 49 cents to US\$110.56 a barrel in electronic trading on the New York Mercantile Exchange. The contract was at \$110.65 at 9:22 a.m. Sydney time. Yesterday it fell \$2.47, or 2.2 percent, to \$111.05, the biggest drop since April 18. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12807.50	0.15	0.00	Nasdaq CI	2841.62	-22.46	-0.78
S&P 500	1356.62	-4.60	-0.34	FTSE 100	6082.88	12.98	0.21

Global and Local Headlines

Greece doesn't need to restructure its debt for now and should only consider an extension of its international loans, said Herakles Polemarchakis, an economic adviser to Greek Prime Minister George Papandreou. "The debt has to be addressed," Polemarchakis said in an interview at an event late yesterday at the London School of Economics. "I think that the rescheduling -- or re-profiling as it is called sometimes -- of the 100 billion euros given by the International Monetary Fund and the European Union, that's something that could easily be done." Greek bond yields and the cost of insuring the country's debt against default rose to records last week, rekindling speculation that a debt write-off or extension of repayment timelines will be the way out of the country's fiscal quagmire. Possible options open to Greece include rescheduling the loans with the EU and IMF, lengthening the payback period of private debt, and a restructuring, Polemarchakis said. (Bloomberg)

Portugal reached an agreement with officials preparing its European Union-led bailout that will provide as much as 78 billion euros (US\$116 billion) in aid and allow more time to reduce the country's budget deficit. The three-year plan set goals for a budget deficit of 5.9 percent of gross domestic product this year, 4.5 percent in 2012 and 3 percent in 2013, Prime Minister Jose Socrates said in Lisbon today. The government in March targeted a deficit of 4.6 percent this year, 3 percent in 2012 and 2 percent in 2013. "The government was able to obtain a good agreement," Socrates said in comments broadcast live from his official residence. "Naturally there are no programs of financial assistance that are not demanding and that do not imply a lot of work. That does not exist." (Bloomberg)

Five companies yesterday announced that trading in their securities will be suspended on May 10 until further notice due to failure to submit their annual audited financial statements on time. The companies are Atis Corp Bhd, Fitters Diversified Bhd, Mobif Bhd, Ecofuture Bhd, and H-Displays (MSC) Bhd. Mobif had on April 25 said that it would seek an approval from Bursa for an extension of time to release and announce its annual audited accounts as at Dec 31, 2010 but Bursa had, via its letter dated April 29, rejected its application. Meanwhile, Ecofuture said the company was not able to issue the financial statements by the due date of April 30 due to differences in opinion between the board and the external auditor. The suspension of trading in the securities of Ecofuture will be effected on May 10 and will be lifted on the market day following the issuance of the outstanding financial statements, unless otherwise determined by Bursa. The expected date of issuance of the financial statements is before May 31. (Star)

Owners of **cars and motorcycles** that are 10 years or older will now be able to get insurance coverage without having to pay a loading of 200% to 300%. This follows a new Bank Negara ruling for all insurance companies to provide coverage with immediate effect. They are no longer allowed to implement loading fees provided the vehicles are roadworthy. In an announcement which takes effect immediately, Bank Negara said the vehicles concerned had previously been grouped as "displaced vehicles" or deemed high-risk vehicles. (Star)

Kumpulan Perangsang Selangor Bhd (KPS) has been granted a further 18 months' extension to acquire a 15% stake in Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) by Kumpulan Darul Ehsan Bhd (KDEB). In a filing with Bursa Malaysia yesterday, KPS said it had on April 29 entered into a supplemental agreement with KDEB to vary the terms of the share sale agreement. With the new agreement, the expiry date of the put option granted to KPS by KDEB pursuant to the acquisition, was extended for a further 18 months to Dec 30, 2012 from June 30, 2011. (Star)

Sumatec Resources Bhd (SUMATEC) has triggered the criteria pursuant to Practice Note No. 17 (PN17) of the Main Market Listing Requirements while biotechnology-based Equator Life Sciences Bhd (EQUATOR) has triggered the criteria pursuant to Guidance Note 3 (GN3) of the ACE Market Listing Requirements, Bursa Malaysia Securities announced yesterday. (Star)

TRC Synergy Bhd (TRC) said its unit Trans Resources Corp Sdn Bhd has won a RM45 million job from Boustead Penang Shipyard Sdn Bhd to build submarine safety conditioning facilities. The 27-month deal is to design, construct, outfit, integrate, test and commission safety facilities, submarine hangar and workshop facilities in relation to the Royal Malaysian Navy contract for the in-service support for two units of Scorpene class submarines. (BTimes)

Global Carriers Bhd (GLOBALC) has agreed to buy the remaining 49 per cent stake in Global Bikhlas Sdn Bhd, Global BMesra Sdn Bhd and Global BMesra Dua Sdn Bhd for RM31.5 million. It will issue five-year 5 per cent redeemable cumulative convertible secured loan stock at 50 sen each to be subscribed by GMV-Global Sdn Bhd, a wholly-owned unit of Global Maritime Ventures Bhd, which in turn is a 90 per cent owned unit of Bank Pembangunan Malaysia Bhd. GCB will use the proceeds for drydocking capital expenditure of vessels, working capital and expenses from the proposals. (BTimes)

EON Capital Bhd (EONCAP), the seventh largest of nine local banking groups, jumped to an almost four-year high in the stock market after accepting a sweetened takeover bid from larger rival Hong Leong Bank Bhd. The stock rose by 2.2 per cent to close at RM7.39, off an intra-day high of RM7.52. It was its highest close since August 3 2007. EONCap's board accepted the bid last Friday after Hong Leong agreed to let it pay out an interim net dividend of 45 sen a share, or RM311.9 million in total. This indirectly raises Hong Leong's takeover offer price of RM7.30-a-share for all of the smaller bank's assets and liabilities to RM7.75 a share. (BTimes)

Oil and gas services provider **Ramunia Holdings Bhd** (RAMUNIA), a Practice Note 17 firm, has come up with a plan to regularise its financial condition by year-end. The plan involves a capital restructuring exercise and a renounceable rights issue that could raise up to RM118.6 million. Ramunia said in a stock exchange filing yesterday that the capital restructuring plan would allow the group's audited accumulated losses of about RM263.9 million as at October 31 last year to be eliminated. Its major shareholder Lembaga Tabung Haji, which holds a 25.2 per cent stake, is expected to subscribe to its portion of the rights issue. (BTimes)

ANZ Banking Group Ltd, which has a stake in Malaysia's AMBank Group, has increased first-half profit by 38 per cent to a record as the bank raises market share. Net profit rose to A\$2.664 billion (A\$1 = RM3.24) for the six months to March 31 from A\$1.925 billion a year earlier, but warned that lending growth would slow, ANZ said in a statement yesterday. Its underlying profit, a measure often preferred by financial institutions, showed a more modest 23 per cent rise to A\$2.82 billion. Australia's third largest bank by market value said the big rise in profit was driven by falling provisions for bad debts and increased earnings in its institutional bank, which lends to big corporates such as miners. (BTimes)