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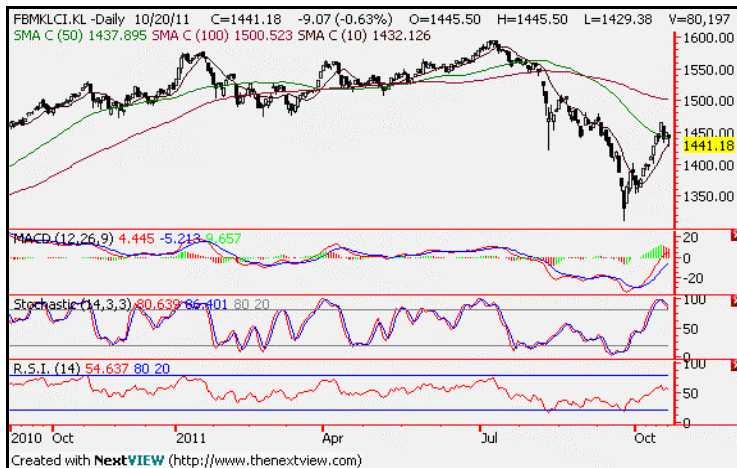
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MARKET FLASH

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1440, 1400

Resistance : 1465, 1485

Bias : Uptrend

As expected, its core indicators are on the slide with the lagging MACD pointing towards a breach of the trigger line on the downside. Collectively, the technical outlook is also looking weak, but so long as the candles hold above the 1440 levels, the uptrend is still intact. In the meantime, 1465 would be its immediate resistance for now.

COMMENTARY

Eurozone concerns douse market ... After a day of mild rebound, the key index succumbed to selling pressure once again on renewed concerns over the European debt crisis. Although the concern plagued other regional bourses, the FBMKLCI's decline was benign in comparison. Still losers thumped gainers on a 2 to 1 ratio with volumes still above 1.3 bn. Despite the cautious stance, there were still pockets of trading activities as JCY, IRCB and Karambunai dominated trades.

1440 points to hold? ... Although the key index managed to end the day around 1440 points level, it looks increasingly precarious as sentiments are turning awry.

Friday, 21 Oct 2011

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1441.18	(9.07)
Volume (m)	1308.9	
Value (RMm)	1154.9	
Up	232	
Down	500	
Unchanged	226	
FOREIGN		
Nikkei	8682.15	(90.39)
Hang Seng	17983.10	(326.12)
STI	2694.01	(26.20)
Shanghai CI	2331.37	(46.15)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
TAHPS	4.50	0.35
Supermx	3.22	0.27
Genp	7.58	0.22
UOADev	1.70	0.19
Degem	0.95	0.15
Losers	Close (RM)	Chg(RM)
LMCemnt	6.82	(0.38)
Panamy	19.90	(0.30)
APM	4.57	(0.22)
Mflour	7.45	(0.19)
HLFG	11.40	(0.18)
Actives	Close (RM)	Chg(RM)
JCY	0.57	(0.01)
JCY-CD	0.07	0.00
IRCB	0.20	0.045
Kbunai	0.14	(0.005)
UOADev	1.70	0.19

Current Stock Review

Trading Buy – HUAYANG



Chart wise:

Hua Yang Bhd (5062) – Properties – RM0.58.

The share price is recovering after a prolonged consolidation and it had also broken through the previous overhead resistance line. At the same time, the share price had also penetrated the key moving averages. Current resistance is at RM1.70 and if this level is broken, the next target is RM1.80.

Its technical indicators are also rising in tandem with the short-term moving averages. Overall, the technical outlook is positive for Hua Yang to test higher levels over the medium-term. A Trading Buy on Hua Yang is recommended as it is embarking on an up-trend.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit closed lower against the US dollar yesterday in weak trading amid bearish external sentiment, dealers said. At the close, the ringgit stood at 3.1280/1310 to the US dollar, compared to 3.1105/1135 previously. A dealer said investors turned risk averse after the lack of progress over the eurozone debt talks and an uncertain US economic outlook. The ringgit was mainly lower against other major currencies. It fell against the Singapore dollar to 2.4628/4673 from Wednesday's 2.4628/4671 and declined against the yen to 4.0745/0787 from 4.0501/0556 previously. The local unit weakened against the British pound to 4.9160/9204 from 4.8990/9047 and eased against the euro to 4.2947/2978 from 4.2993/2041 on Wednesday. (BTimes)

Crude palm oil futures contracts on Bursa Malaysia Derivatives closed softer on profit-taking yesterday. A dealer said the demand was quite slow with most buyers staying on the sidelines over renewed concerns on the Eurozone debt crisis and heavy stocks. November 2011 fell RM20 to RM2,860 a tonne; December 2011 lost RM20 to RM2,866; January 2012 tumbled RM26 to RM2,866; and February 2012 shed RM27 to RM2,873. Volume rose to 31,354 lots from 29,646 lots while open interest increased to 138,380 contracts from 137,721 contracts. (BTimes)

The Malaysian rubber market ended lower in quiet trade yesterday, following a fall in the Tokyo Commodity Exchange. The market was weighed down by weaker oil prices and renewed concerns over the euro zone debt crisis, dealers said. The Malaysian Rubber Board's official physical price for tyre-grade SMR20 softened 58 sen to 1225.50 sen per kg while latex-in-bulk decreased 16 sen to 803.00 sen per kg. The unofficial closing price for tyre-grade SMR 20 lost 72.5 sen to 1189.50 sen per kg while latex-in-bulk shed 20 sen to 795.00 sen per kg. (BTimes)

U.S. manufacturing in the Philadelphia area unexpectedly expanded in October at the fastest pace in six months, signaling factories are helping support a U.S. economy weighed down by weakness in the housing and labor markets. The Federal Reserve Bank of Philadelphia's general economic index increased to 8.7 from minus 17.5 last month, the biggest one-month rebound in 31 years. Readings greater than zero indicate expansion in the area covering eastern Pennsylvania, southern New Jersey and Delaware. Companies such as hydraulic equipment-maker Parker Hannifin Corp. (PH) are raising sales forecasts as they benefit from rising business investment and overseas demand. Other reports today showed purchases of existing homes declined and Americans' confidence in the economic outlook slumped with unemployment stuck near 9 percent and wages stagnant. (Bloomberg)

The yen is set for a weekly advance against most major peers as investor confidence in the ability of European leaders to resolve the euro region debt crisis ebbed, increasing demand for safer assets. The Swiss franc was 0.3 percent from a two-week high against the euro after European officials planned a second summit within three days of an Oct. 23 meeting of government leaders to approve a plan that may include a combination of rescue funds. The euro was set for its biggest weekly drop against the yen in almost a month as equity and commodity prices fell, damping demand for higher-yielding assets. The yen traded at 105.94 per euro as of 8:13 a.m. in Tokyo from 105.84 in New York yesterday, poised for a 1.2 percent gain this week. The Japanese currency traded at 76.88 per dollar from 76.80 yesterday and is headed for a 0.4 percent advance since Oct. 14. (Bloomberg)

Oil climbed in New York, trimming the first weekly decline in three, as investors bet signs of an economic recovery in the U.S. and Europe's steps to contain its debt crisis mean demand for raw materials may increase. Futures gained as much as 0.5 percent after a U.S. manufacturing gauge unexpectedly expanded and European governments discussed deploying \$1.3 trillion in funds to tackle the sovereign debt crisis. The death of former Libyan leader Muammar Qaddafi will expedite efforts to revive crude output to normal levels, the state-run National Oil Corp. said. Crude oil for December delivery rose as much as 43 cents to \$86.50 a barrel and was at \$86.36, in electronic trading on the New York Mercantile Exchange at 9:41 a.m. Sydney time. The contract yesterday fell 0.3 percent to \$86.07. Front-month futures are down 0.5 percent this week and 5.5 percent lower this year. Brent oil for December settlement advanced \$1.37, or 1.3 percent, to \$109.76 a barrel on the London-based ICE Futures Europe exchange. The European benchmark contract closed at a premium of \$23.69 to New York crude, compared with a record of \$27.88 on Oct. 14. (Bloomberg)

Gold for immediate delivery fell for a fifth day, the longest period of decline since January, dropping as much as 0.6 percent to US\$1,611.82 an ounce. The metal traded at \$1,613.88 at 7:08 a.m. Singapore time, down 4 percent this week and poised for its first weekly decrease in three weeks. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	11541.80	37.16	0.32	Nasdaq CI	2598.62	-5.42	-0.21
S&P 500	1215.39	5.51	0.46	FTSE 100	5384.68	-65.81	-1.21

Global and Local Headlines

Japanese stock futures and Australian stocks advanced as European governments considered deploying US\$1.3 trillion to fight the region's debt crisis, boosting the earnings outlook for Asian exporters. American depositary receipts of Sony Corp., Japan's biggest consumer electronics exporter, rose 0.7 percent from the closing share price in Tokyo. Those of Sumitomo Mitsui Financial Group Inc. (8316), Japan's second-biggest lender by market value, rose 0.2 percent. Paladin Energy Ltd., a uranium explorer, rose 4.6 percent in Sydney. Futures on Japan's Nikkei 225 (NKY) Stock Average expiring in December closed at 8,690 in Chicago yesterday, compared with 8,670 in Osaka, Japan. They were bid in the pre-market at 8,690 in Osaka, at 8:05 a.m. local time. Australia's S&P/ASX 200 Index added 0.5 percent today. New Zealand's NZX 50 Index advanced 0.1 percent in Wellington. (Bloomberg)

Apple Inc. (AAPL) and Toyota Motor Corp. (7203) are facing the worst supply disruptions since the March earthquake that crippled Japan, leading investors to scramble assessing the financial toll of the floods in Thailand. Apple Chief Executive Officer Tim Cook said this week Thailand's worst floods in half a century set back supply of components used in Mac computers, while Toyota suspended production of its Camry and Prius vehicles in the kingdom. Western Digital Corp. (WDC), the world's largest maker of hard-disk drives, warned it will post a loss this quarter and production won't return to normal for months. (Bloomberg)

The **European Central Bank** may lend more money against asset-backed bonds if issuers provide additional information about the loans underpinning the securities, according to a person familiar with the matter. Banks can borrow money from the ECB's liquidity facility by posting collateral, with a discount applied depending on its perceived safety. The bank's Eurosystem Risk Management Committee is discussing lowering the reduction on asset-backed bonds from the 16 percent levied now, said the person, who declined to be identified because the talks are private. The proposed change is part of a broader ECB initiative to encourage banks to improve transparency in asset-backed bonds they sell to investors and boost confidence in a market blamed for worsening the credit crisis in 2007. The Frankfurt-based lender also said last year that it was seeking ways to control the quality of the assets it takes in as collateral for loans to financial institutions. (Bloomberg)

Greek Prime Minister George Papandreou won a parliamentary vote on a new round of austerity designed to secure more financial aid, risking further unrest that left one person dead after protests turned violent. Papandreou secured the backing of a majority of lawmakers in the 300-seat chamber in Athens late yesterday as European leaders announced a second summit next week to give them more time to work on a "global and ambitious" strategy to combat the sovereign debt crisis that is roiling global markets. The vote in Athens capped a day in which hooded protesters in gas masks fought running battles with riot police firing tear-gas rounds outside the parliament building on the capital's Syntagma Square. Ringed by a cordon of police, lawmakers debated the second round of austerity measures in four months that are necessary to secure the next tranche of international aid to stave off default and win any reduction in Greece's debt burden. (Bloomberg)

Muammar Gaddafi is dead, Libya's new leaders said, killed by fighters who overran his hometown and final bastion on Thursday. His bloodied body was stripped and displayed around the world from cellphone video. Senior officials in the interim government, which ended his 42-year rule two months ago but had laboured to subdue thousands of diehard loyalists, said his death opened the way for a declaration of "liberation" after eight months of war. (Star)

British American Tobacco (M) Bhd (BAT) posted a net profit of RM176.3mil, or 61.70 sen per share, for its third quarter ended Sept 30. That compared with a net profit of RM170.7mil, or 59.80 sen per share, it posted in the year-earlier quarter. Revenue for the period was RM1.10bil against RM993.6mil a year ago, the company said in a statement. The board has declared a third interim dividend for this year of 60 sen per share against 64 sen paid for the same quarter the year before. For the nine months ended Sept 30, BAT achieved a net profit of RM539mil, which was 1.7% lower compared with RM548.4mil previously. The drop was due mainly to lower volumes, driven by higher excise duty which has led to price increases, and also the loss of 14s pack size margin. (Star)

The world's biggest food group **Nestle** said weakening consumer sentiment in developed markets would make it harder to improve margins as it raised its sales growth outlook for 2011 after beating forecasts for the first nine months. The Swiss company said price hikes and strong demand in emerging markets allowed it, like other big European food groups, to make up for weakening consumer sentiment in the mature markets of Western Europe and the United States. The maker of KitKat chocolate bars and Nespresso coffee capsules softened its optimism about margins, however, saying it was looking for an increase this year following a more confident tone at its half-year results in August. (Star)

Businessman Tan Sri Syed Mokhtar Al-Bukhary has bid for a government contract worth at least RM2 billion to convert current analogue terrestrial television stations into digital broadcasters. Privately-held **Puncak Semangat Sdn Bhd** made the bid. Its managing director, Syed Azmin Syed Nor said the company had been working on the proposal for three years with the Information, Communication and Culture Ministry and is waiting for a good response. "We are unsure if our proposal has been accepted, but we expect the government to make an announcement on the contract by next year," Syed Azmin told reporters. (BTimes)

Susilo Bambang Yudhoyono said **Indonesians** can once again work as maids in Malaysia from Dec 1. He said both countries had resolved all problems and obstacles to Indonesians becoming maids in Malaysia. A Malaysian-Indonesian task force will submit a report to him and Prime Minister Datuk Seri Najib Razak when they meet again at the Asean Summit in Bali on Nov 1. (BTimes)

Cahya Mata Sarawak Bhd has signed a shareholders agreement with Singapore's OM Holdings Ltd to build a US\$500 million (RM1.57 billion) manganese and ferro silicon smelting plant, with an annual capacity of 600,000 tonnes a year in Samalaju, Sarawak. Completion is targeted for 2015. "The demand for manganese alloy and ferro silicon will track the demand for steel, which is forecast to increase steadily over the coming years, because of the expected continuing demand from emerging countries including China and India," it told Bursa Malaysia yesterday. (BTimes)