



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

Monday, 31 Oct 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1450

Resistance : 1500

Bias : Uptrend

The candle has penetrated the 1487 level on Friday morning and its core indicators continuing to show strength. At the same time, the lagging MACD has crosses the trigger line on the upside, thereby strengthening the positive outlook. On the upside, the FBMKLCI resistance is at 1500, while support is at 1450.

COMMENTARY

Still climbing ... The market maintained its upward streak as the healthy buying momentum provided the impetus for the uptrend. On the main board, BAT and Malaysia Airports paced the FBMKLCI's gains, while KLK and Genting provided the secondary lift. Malaysia Airports rose to its highest in months on news that it has secured approval for an increase in passenger service charge and landing, parking charges. Interest on lower liners was also brisk with Hiro-tako topping volumes.

Looking good ... Part of the continuing optimism is due to the recovering global and regional bourses, thereby lessening the need to cash out earlier.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1481.82	10.89
Volume (m)	1877.9	
Value (RMm)	2295.3	
Up	470	
Down	338	
Unchanged	319	
FOREIGN		
Nikkei	9050.47	123.93
Hang Seng	20019.24	330.54
STI	2903.03	55.46
Shanghai CI	2473.41	37.80

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Nestle	50.40	0.94
BAT	46.22	0.92
Airport	6.32	0.44
KLK	21.00	0.40
F&N	16.78	0.38
Losers	Close (RM)	Chg(RM)
Tongher	2.00	(0.14)
IOICorp	5.14	(0.12)
Digi	31.50	(0.10)
NCB	3.74	(0.10)
CIHldg	4.90	(0.10)
Actives	Close (RM)	Chg(RM)
Hiro-WA	0.145	(0.09)
Harvest-WA	0.325	0.01
Gpro	0.235	0.04
Harvest	0.40	0.00
MbfHldg-WA	0.18	(0.01)

Current Stock Review

Trading Buy – **MEDIA**



Chart wise:

Media Prima Bhd (4502) – Trading/Services – RM2.55

Media's candles have continued to rise, tracing an uptrend line and climbing above the RM2.50 levels. Its core momentum indicators are already above their respective upper limit lines, but with no signs of weakness as yet, the uptrend is likely to prolong.

The MACD is also strengthening which will aid the candle's ascend. Consequently, Media Prima is worth a Trading Buy. The resistance is at RM2.70. The support, meanwhile is at RM2.40.

MAJOR NEWS

Commodity, Currency and Economic News

Oil pared gains in New York. Crude for December delivery was at \$93.36 a barrel, up 4 cents, in electronic trading on the New York Mercantile Exchange at 7:26 a.m. Singapore time, after earlier climbing as much as 0.5 percent. Brent crude for December settlement was at \$109.90 barrel, down 1 cent, on the London-based ICE Futures Europe exchange. Iran's Governor to OPEC, Mohammad Ali Khatibi, said supply and demand in world oil markets are balanced and he sees no need for an emergency meeting of the producer group, according to the state-run Iranian Students News Agency yesterday. (Bloomberg)

The **Malaysian rubber market** is expected to improve this week as supply remains tight due to the rainy season and floods in Thailand, dealers said. A dealer said the euro debt crisis will, however, continue to affect the market. During the four-day trading last week, the market was mixed and its performance was affected by the rainy season and floods which as a result saw tight supply of the material. Traders were also monitoring the eurozone financial crisis. For the week just ended, the Malaysian Rubber Board's official physical price for tyre-grade SMR 20 rose 13.5 sen to 1,231 sen per kg while latex-in-bulk fell 5.5 sen to 793.5 sen per kg. The unofficial closing price for SMR 20 gained 22.5 sen to 1,226 sen per kg while latex-in-bulk dropped 3.5 sen to 794.5 sen per kg. (Star)

Crude palm oil (CPO) futures contracts on Bursa Malaysia Derivatives are anticipated to perform better this week as the market is expecting friendly export data which will provide a boost to the local market. "The market expects export data for Oct 1-31 to be released this week. It will be a friendly report," a dealer said. She added that the market expected the futures contracts to record higher prices. The futures contracts performed steadily throughout the four-day trading week, recording gains on most of the days except on Friday due to profit-taking activities. On a Friday-to-Friday basis, November 2011 gained RM90 to RM2,971 a tonne. December 2011 increased RM87 to RM2,973 a tonne, January 2012 added RM88 to RM2,971 a tonne while February 2012 advanced RM89 to RM2,973 a tonne. Weekly volume expanded to 40,175 lots recorded on Friday from 21,057 lots from previous week while open interest declined to 129,162 contracts from 138,673 contracts. (Star)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12231.10	22.56	0.18	Nasdaq CI	2737.15	-1.48	-0.05
S&P 500	1285.09	0.50	0.04	FTSE 100	5702.24	-11.58	-0.20

Global and Local Headlines

U.S. stock futures fell, following a fourth straight weekly advance that left the Standard & Poor's 500 Index poised for the biggest monthly rally since 1974. Futures on the S&P 500 expiring in December fell 0.5 percent to 1,274.70 at 9:15 a.m. Tokyo time. The benchmark measure for U.S. stocks advanced 3.8 percent last week and has climbed 14 percent this month. Stocks gained last week after the European rescue fund was boosted to 1 trillion euros (\$1.4 trillion) and investors agreed to a voluntary writedown of 50 percent on Greek debt. The S&P 500 had fallen five consecutive months, driven lower by concern the debt crisis would curb global growth, before starting to rebound on Oct. 3. The stock index recovered as better-than-estimated U.S. reports pushed the Citigroup Economic Surprise Index above zero for the first time since April. (Bloomberg)

European governments are running into initial resistance as they seek to use this week's Group of 20 summit to turn early praise for their revamped crisis-fighting strategy into financial support. The G-20 leaders convene Nov. 3-4 in Cannes, France, a week after euro-area authorities pledged to magnify the capacity of their rescue fund to 1 trillion euros (\$1.4 trillion) and look beyond their borders for help in doing so as they combat the debt turmoil posing the biggest threat to global growth. While the help of China and cooperation of the International Monetary Fund were immediately sought, pledges of hard cash are proving hard to come by as G-20 members press for more details of the plan. In an indication Europe may eventually prevail, an official in Brazil's government said it's in talks with Russia, India, China and South Africa -- the so-called BRICS -- about possible joint assistance. (Bloomberg)

Japanese stocks fell for the first time in three days, as the yen rose to a record amid speculation the U.S. Federal Reserve will embark on another round of asset purchases. The Nikkei 225 (NKY) Stock Average declined 0.3 percent to 9,020.48 as of 9:05 a.m. in Tokyo. For the month, the gauge is headed for a 3.6 percent gain. The broader Topix index retreated 0.4 percent to 768.45. (Bloomberg)

Europe's largest banks may raise just a tenth of the total capital shortfall estimated by regulators, fuelling concern policy makers' plans to bolster the region's lenders could fail. European Union leaders ordered banks last week to increase the ratio of "highest quality" capital they hold by the end of June, creating a shortfall of 106 billion euros (\$150 billion). Of Europe's 28 largest lenders, only eight will need to raise a total of 11 billion euros from investors, a Morgan Stanley report said. Rather than tapping investors or governments, firms are trying to hit the 9 percent core capital target by adjusting risk-weightings, limiting dividends, retaining earnings, reducing loans and selling assets. Banks had threatened to curb lending, risking a recession, to meet the goal rather than take government aid that would bring limits on bonuses and dividends. EU leaders already are pressing banks to restrain payments to employees and shareholders until they meet the capital target. (Bloomberg)

Qantas Airways Ltd. plans to resume flights as early as today after Australia's labor regulator barred work stoppages that had prompted the nation's biggest carrier to ground its fleet, stranding about 80,000 passengers. Fair Work Australia handed down the order at about 2 a.m. in Melbourne, following more than 12 hours of hearings spread over two days. The ruling, which paves the way for binding arbitration, was opposed by unions who were instead seeking a temporary halt to stoppages. "The only option that we had in response to the union action was to take our own action," Chief Executive Officer Alan Joyce said today at a televised news conference in Sydney, adding that passengers can now book flights without the threat of future strikes. "The clouds have gone. Qantas will get back to where it was before this activity." (Bloomberg)

Italian Prime Minister Silvio Berlusconi said he alone can deliver the country's promised deficit cuts as European leaders ramp up demands that his government do its part to combat the region's debt crisis. Berlusconi ruled out early elections and said the current legislature in Rome will last until 2013, according to an interview published yesterday in Corriere della Sera. He said the European Central Bank's support will only be maintained if his administration follows through on the pledged measures. "Only I and my government can achieve this reform program for 18 months, which is why there is no way for me to stand aside," the Italian leader told the newspaper. (Bloomberg)

To beef up the financial muscles and market presence of mid-cap property company **Dijaya Corp Bhd**, its group chief executive Tan Sri Danny Tan aims to enlarge the company's market capitalisation to between RM2bil and RM3bil in the next five to six years from about RM900mil now. Tan believes the target is achievable if Dijaya adopts the right land-banking expertise to buy land in the right location and leverages on its strong brand advantage. To raise fund for new land acquisition, Dijaya is undertaking a private share placement exercise to expand its share base from the current 457 million shares to 594 million shares. (Star)

Panasonic is expected to suffer a US\$4bil net loss in the year to March 2012, despite an initial forecast of profit, hit by a global business downturn and stronger yen, a news report said. The Japanese company's plan to scale back its money-losing television and semiconductor divisions is incurring restructuring costs which also hurt its balance sheet, the business daily Nikkei reported. The electronics giant was now forecast to post a group net loss of 300 billion yen (US\$4bil) in the fiscal year, reversing a net profit of 74 billion yen for the preceding year, the report said. It would be the company's first net loss in two years. (Star)

Sony Corp, struggling with a loss-making television business, is considering dissolving its liquid-crystal display (LCD) joint venture with South Korea's Samsung Electronics in a bid to cut costs, sources familiar with the matter said yesterday. The Nikkei business daily, which reported the news earlier, said the Japanese electronics and entertainment giant was aiming to reach an agreement by the end of this year to sell its nearly 50 per cent stake in LCD joint venture S-LCD to Samsung. (BTimes)

South Korea's antitrust regulator said yesterday it had fined 10 Korean and Taiwanese thin-film transistor (TFT)-liquid crystal display (LCD) makers, including Samsung Electronics Co Ltd of South Korea and AU Optronics Corp of Taiwan, a total of 194 billion won or US\$176 million (RM540 million) for fixing product prices. The Fair Trade Commission (FTC) said other major LCD makers involved in its ruling were South Korea's LG Display Co and Taiwan's Chimei Innolux Corp. The total fines, it said, were the largest sum ever imposed in an international cartel allegation case in South Korea. (BTimes)