



Mercury Securities Sdn. Bhd. (113193-W)

(A Participating Organisation of Bursa Malaysia)

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MARKET FLASH

Thursday, 20 Oct 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1440, 1400

Resistance : 1465, 1485

Bias : Uptrend

The upside bias remains for now and the key index could inch up further this week, mainly on the back of the sustained market interest and improving sentiments. As we have noted earlier, the positive undertones will remain so long as the key index stays above the 50 day SMA (now at 1440 level) and as long as volumes stay high. In the interim, the level of 1465 would be its immediate resistance.

COMMENTARY

Uptrend resumes ... After Tuesday's correction, the FBMKLCI resumed its uptrend yesterday, mainly on the quick turnaround of heavyweight stocks and penny stocks. By and large, lower liners had a field day as there were rotational play on laggards and technology stocks. Stocks like JCY and Systech were in the active list. With interest on the lower liners remaining strong, volumes also continue to pick up.

Inching up ... Yesterday's rebound, albeit mild, has again improved the FBMKLCI's core technical indicators, with both the RSI and stochastic turning up.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1450.25	10.31
Volume (m)	1690.7	
Value (RMm)	1212.4	
Up	641	
Down	162	
Unchanged	210	
FOREIGN		
Nikkei	8772.54	30.63
Hang Seng	18309.22	232.76
STI	2720.21	(4.48)
Shanghai CI	2377.51	(5.97)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
HFLG	11.58	0.30
Mflour	7.64	0.28
Dlady	19.14	0.24
MISC	6.73	0.24
Tenaga	5.55	0.20
Losers		
BAT	43.60	(1.20)
KLK	20.50	(0.20)
Chintek	8.05	(0.20)
GAB	10.40	(0.18)
MBMR	3.05	(0.14)
Actives		
JCY	0.58	0.125
Systech	0.13	0.025
Harvest-WA	0.19	0.09
HWGB	0.415	0.025
Hubline	0.095	0.01

Current Stock Review

Trading Buy – **JCY International Bhd.**

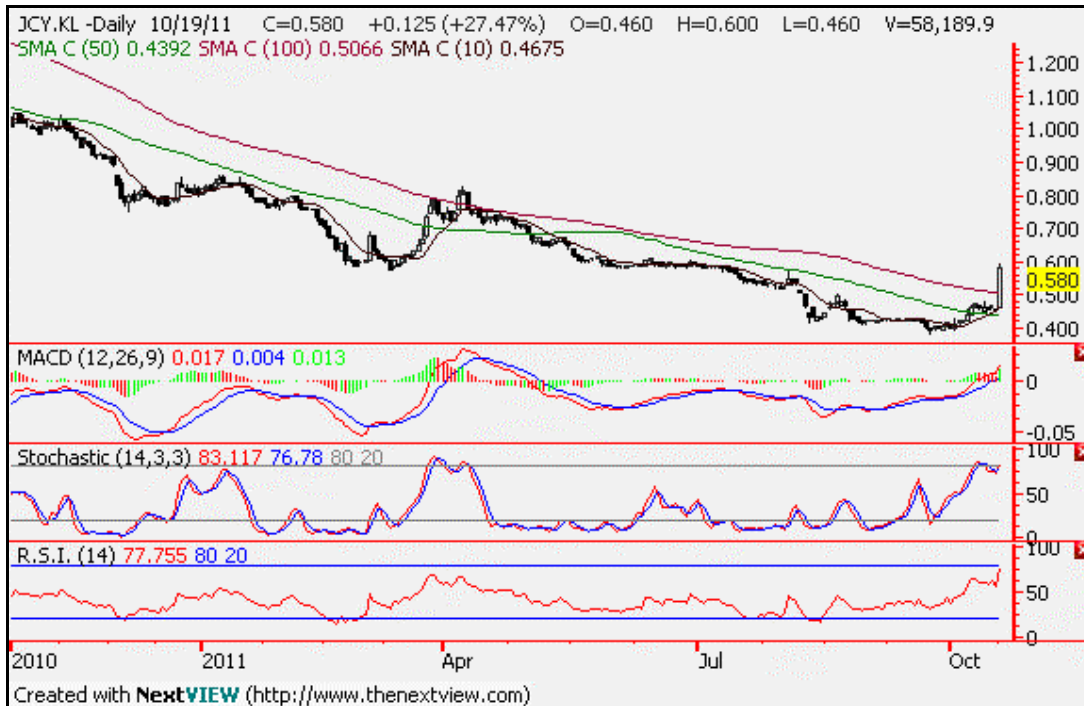


Chart wise:

JCY International Bhd (5161) – Technology – RM0.58.

JCY was not left out in the recent penny stocks rally and despite the gains made so far, we are of the opinion that there are more upsides in its share price. Breaking out from below the short and medium term moving averages for the first time in many months, the prospects are good for JCY to test the upper level of the channel at around RM0.605.

Correction are expected along the way, but is expected to be minor given the new burst of buying activities. Furthermore, JCY is supported by a favorable mix of fundamentals, namely the cheap PER valuation. A trading buy.