



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

(A Participating Organisation of Bursa Malaysia)

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# MARKET FLASH

Friday, 30 Sep 2011

## FBM KLCI DAILY CHART



### TECHNICAL INDICATIONS

**Support : 1350, 1335**      **Resistance : 1400**  
**Bias : Downtrend**

*The earlier concerns of massive Eurozone default and slowing global economic growth has subsided slightly over the past few days and this is allowing the market to embark on its recovery. Interestingly, prices managed to close the 1,377-1,387 gap levels. As we have said earlier, a sustained recovery is imperative for the index to break out of the bearish flag formation to start a new trend. Immediate target is now 1,400.*

### COMMENTARY

**FBMKLCI gains ground on heavyweight support ...** The FBMKLCI posted its third day of gains as institutional support filtered into blue chips to nullify the generally lackluster trading environment. The support on the heavyweights also helped the key index to buck the weaker Dow and closure of the HK exchange due to Typhoon Nasta. Among blue chips, HLbank, SP Setia and Genting led the market up.

**Remaining positive for now ....** The FBMKLCI immediate outlook remains positive for now as the market is still on the recovery mode after its recent slide. It would certainly seem that the key index may have found a temporary bottom and it could extend its base building phase, although investor confidence still fragile.

## MARKET STATISTICS

### LOCAL

|             | Close    | Chg.  |
|-------------|----------|-------|
| FBM KLCI    | 1,387.46 | 15.91 |
| Volume (m)  | 920.9    |       |
| Value (RMm) | 1366.3   |       |
| Up          | 513      |       |
| Down        | 229      |       |
| Unchanged   | 228      |       |

### FOREIGN

|             |          |         |
|-------------|----------|---------|
| Nikkei      | 8701.23  | 85.58   |
| Hang Seng   | 18011.06 | -       |
| STI         | 2708.13  | 6.96    |
| Shanghai CI | 2365.34  | (26.72) |

### BURSA MOVERS

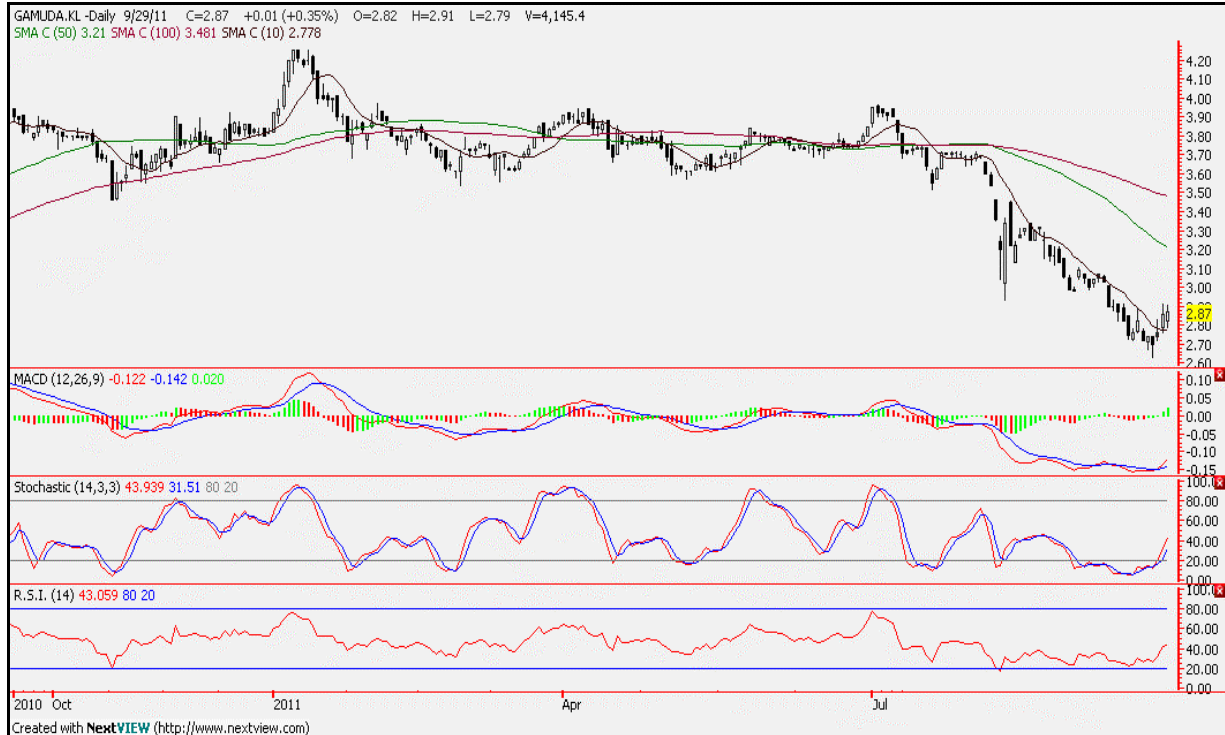
| Gainers | Close (RM) | Chg (RM) |
|---------|------------|----------|
| HLbank  | 10.20      | 0.40     |
| SPSetia | 3.87       | 0.37     |
| Genting | 9.33       | 0.37     |
| Panamy  | 18.58      | 0.36     |
| Sime    | 8.48       | 0.34     |

| Losers  | Close (RM) | Chg(RM) |
|---------|------------|---------|
| Nestle  | 47.00      | (0.50)  |
| Pspring | 0.815      | (0.345) |
| KLK     | 21.10      | (0.20)  |
| Cepco   | 1.84       | (0.19)  |
| Help    | 1.71       | (0.16)  |

| Actives | Close (RM) | Chg(RM) |
|---------|------------|---------|
| Comput  | 0.065      | 0.005   |
| SPSetia | 3.87       | 0.37    |
| Gpro    | 0.15       | 0.01    |
| AsiaEP  | 0.075      | 0.005   |
| Axiata  | 4.69       | 0.10    |

## Current Stock Review

### Trading Buy – **GAMUDA**



#### Chart wise:

#### Gamuda Bhd (5398) – Construction – RM2.87

We called a downward consolidation on Gamuda's share on Sept 27 earlier as the candles were trapped inside the bearish flag formation then. However, the recent recovery these past few days was swift as the candles tested the upper line of the flag formation on Tuesday.

Its fast indicators are also exhibiting a bullish bias as a result, while the slower MACD is still inching up. For now, the candles look to breach the flag formation and this is an opportunity to trade in the direction. The support is at RM2.70. The immediate resistance, meanwhile is at RM3.00

## **MAJOR NEWS**

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

**The ringgit** remained easier against the US dollar yesterday on rising fear on global uncertainties due to scepticism over the European bailout plan, dealers said. At 5pm, the ringgit was quoted at 3.1770/1795 to a US dollar vis-a-vis 3.1640/1670 on Wednesday. A dealer said foreign fund managers off-loaded their domestic currency holdings while the market was on a cautious mode ahead of the development in the German parliament. The ringgit closed higher against the Singapore dollar at 2.4557/4596 from 2.4592/4617 on Wednesday but weakened against the Japanese yen to 4.1540/1589 from 4.1359/1426 on Wednesday. It also depreciated against the British pound to 4.9803/9856 from 4.9466/9526 on Wednesday and fell against the euro to 4.3363/3404 from 4.3062/3112 previously. (BTimes)

The Malaysian **rubber market** closed lower yesterday as market sentiment remained weak on growing worries over the global economy, dealers said. "A further downside to rubber prices cannot be ruled out, especially if crude prices continue to ease," it added. The Malaysian Rubber Board's official physical price for tyre-grade SMR20 fell 43 sen to 1,293 sen a kg while latex-in-bulk slipped 19 sen to 833.5 sen. The unofficial closing price for tyre-grade SMR20 lost 33 sen to 1,276.5 sen while latex-in-bulk dipped 23.5 sen to 821.5 sen. (BTimes)

**Crude palm oil futures** prices on Bursa Malaysia Derivatives closed lower yesterday as the broad risk aversion theme lingered, dealers said. October 2011 declined RM10 to RM2,950 a tonne while both November 2011 and December 2011 slipped RM12 to RM2,915 and RM2,898 respectively, and January 2012 eased RM9 to RM2,903. Trading volume fell to 26,284 lots from 32,097 lots on Wednesday while open interest stood at 129,766 contracts from 130,628 contracts previously. (BTimes)

**Oil** gained in New York as investors speculated U.S. fuel demand will rise after signals that the economy of the world's biggest crude consumer is growing faster than previously estimated. Crude is headed for its biggest quarterly decline since 2008. Futures climbed a second day after a report showed U.S. gross domestic product last quarter beat economists' estimates. Jobless claims dropped more than expected, according to another report. West Texas Intermediate's discount to European Brent oil narrowed for a fifth day. The U.S. contract has fallen 13 percent since June 30 on concern economic growth will slow. Crude for November delivery gained as much as 93 cents, or 1.1 percent, to \$83.07 a barrel in electronic trading on the New York Mercantile Exchange and was at \$82.87 at 8:49 a.m. Sydney time. The contract yesterday climbed 1.2 percent to \$82.14. Oil is down 7 percent this month. The quarterly drop is the biggest since the three months ended Dec. 31, 2008. (Bloomberg)

The number of **Americans** claiming new unemployment benefits fell to a five-month low last week, while the economy grew slightly more than previously reported in the second quarter, the latest suggestion a recession was not in the cards. Initial claims for state unemployment benefits fell 37,000 to a seasonally adjusted 391,000, the Labour Department said yesterday, well below economists' expectations for 420,000. Separately, gross domestic product (GDP) grew at annual rate of 1.3 per cent in the second quarter, the Commerce Department said in its third and final estimate for the quarter, up from the previously estimated 1.0 per cent. That reflected consumer spending and export growth that was stronger than earlier estimated. The GDP data "suggests that the US economy entered the third quarter on a slightly better footing. (BTimes)

The yen and US dollar strengthened against most of their major counterparts before data that may point to signs of a slowdown in the global economy, boosting demand for haven currencies. The yen headed for its biggest monthly gain in more than a year versus the euro before reports today forecast to show U.S. consumer spending slowed in August and retail sales in Germany decreased. New Zealand's dollar weakened after the nation's credit rating was lowered by Fitch Ratings. Losses in the euro were limited after German lawmakers yesterday backed an enhanced euro-area rescue fund, enabling the region's officials to focus on the next steps to stem the debt woes. The dollar traded at \$1.3580 per euro as of 8:28 a.m. in Tokyo from \$1.3597 in New York yesterday, having risen 6.3 percent this month. The greenback was at 76.79 yen from 76.84 yen. The Japanese currency fetched 104.28 per euro from 104.48, set for a 6.3 percent advance this month, the steepest since May 2010. The New Zealand dollar declined to 76.87 U.S. cents from 77.10. (Bloomberg)

### Major US and UK Equity Indices

| Index   | Day Close | Change | Change (%) | Index     | Day Close | Change | Change (%) |
|---------|-----------|--------|------------|-----------|-----------|--------|------------|
| DJIA    | 11154.00  | 143.08 | 1.30       | Nasdaq CI | 2480.76   | -10.82 | -0.43      |
| S&P 500 | 1160.40   | 9.34   | 0.81       | FTSE 100  | 5196.84   | -20.79 | -0.40      |

### Global and Local Headlines

**U.S. stocks** rose, rebounding from an earlier loss, as lower-than-estimated claims for unemployment benefits and a vote by German lawmakers to expand a European bailout fund helped offset losses by technology and consumer companies. Greek bonds surged and the euro rose. The Standard & Poor's 500 Index rose 0.8 percent to 1,160.40 at 4 p.m. New York time, recovering from a 1 percent decline earlier. The Nasdaq Composite Index tumbled 0.4 percent as Apple Inc. declined 1.6 percent, falling for a fourth straight day. The Stoxx Europe 600 Index advanced 0.7 percent as banks rallied. The Greek two-year yield tumbled 453 basis points to 65.24 percent. Natural gas slid 1.4 percent as the U.S. reported a rise in supplies, while oil climbed. (Bloomberg)

**Royal Dutch Shell Plc** (RDSA) has extinguished a fire that raged for two days at its biggest oil refinery and is shutting processing units at the Singapore plant as a precaution. "The fire has been extinguished at Shell refinery at Pulau Bukom," Shell said in a late-night statement yesterday. "However, there are traces of fuel vapour. We are prepared to shut down all refinery units if this is considered necessary from a safety perspective, with the exception of utilities." The company was shutting units within the vicinity of the fire. (Bloomberg)

**Typhoon Nesat**, the strongest to hit China this year, forced the evacuation of 300,000 people, grounded flights and closed markets as it swept past Hong Kong, slammed into the Chinese island of Hainan and headed to Vietnam. The typhoon, which killed at least 39 people in the Philippines earlier this week, made landfall in Hainan province at 2:30 p.m. local time yesterday with winds as fast as 151 kilometers (94 miles) an hour, the China Meteorological Administration said. In Hong Kong, the storm felled trees, ripped bamboo scaffolding from buildings and forced the city's stock exchange to halt trading after the highest storm warning in two years was issued. Trading will resume today. (Bloomberg)

**Japanese and Australian** stock futures rose after U.S. initial jobless claims fell more than estimated and German lawmakers backed an enhanced euro-region rescue fund, improving the earnings outlook for Asian exporters. American depository receipts of NTT DoCoMo Inc. (9437), Japan's largest mobile-phone operator by market value, rose 0.9 percent from the closing share price in Tokyo. Those of Advantest Corp. (6857), a maker of memory-chip testers, fell 0.4 percent after a drop by the Philadelphia Semiconductor Index, which tracks the performance of 30 industry stocks. ADRs of Telstra Corp., Australia's biggest telephone company, rose 0.3 percent, and Alumina Ltd., a resources company, climbed 0.9 percent. Futures on Japan's Nikkei 225 (NKY) Stock Average expiring in December closed at 8,730 in Chicago yesterday, compared with 8,710 in Osaka, Japan. They were bid in the pre-market at 8,720 in Osaka at 8:05 a.m. local time. Futures on Australia's S&P/ASX 200 Index rose 0.5 percent today. New Zealand's NZX 50 Index advanced 0.3 percent in Wellington. (Bloomberg)

**European leaders** are turning their focus to the next steps to stem the region's debt crisis after German lawmakers approved an expansion of the euro-area rescue fund's firepower. With the European Commission now expecting the overhauled 440 billion-euro (US\$599 billion) European Financial Stability Facility in place by mid-October, euro finance chiefs will next week discuss accelerating enactment of a permanent rescue fund that provides more capital and a tool for managing defaults. (Bloomberg)

**Thailand's economy** is likely to grow 4% this year, according to the Finance Ministry, at the low end of its forecast in June of 4%-5% due to the global slowdown and widespread floods at home. But the ministry expected higher growth of 4.5% in 2012, Ministry economist Boonchai Charassang-somboon told a news conference. "A new factor is floods, together with the slowing global economy in the second half," he said, adding the flood damage was initially put at 2,040 billion baht. Boonchai said the economy was expected to grow 3.5%-4.5% in the third quarter from a year earlier after 2.6% growth in the second quarter. The full-year growth forecasts compare with the 4.1% for 2011 and 4.2% for 2012 predicted by the Bank of Thailand, although it has said it might lower those forecasts when it releases new projections next month. (Star)

**RHB Capital Bhd** has applied to Bank Negara Malaysia for approval to start merger talks with the OSK Group. The bank said talks will involve OSK Investment Bank Bhd, OSK Holdings Bhd and major shareholders of OSK Holdings Bhd. (BTimes)

**Alam Maritim Resources Bhd** has been awarded jobs worth RM32 million from Dayang Enterprise Sdn Bhd and Petronas Carigali Sdn Bhd. (BTimes)

**CIMB Group Holdings** is buying a 70 per cent stake in a stockbroking firm in Thailand for RM78.4 million. CIMB's indirect subsidiary, CIMB Securities International Pte Ltd, will execute the deal with Siam Industrial Credit Public Co Ltd. SICCO Securities Public Co Ltd (SSEC) is listed on the Stock Exchange of Thailand (SET), and has 13 branches in the country. The acquisition will trigger a mandatory tender offer for the rest of SSEC's shares. It is unclear if CIMB seeks to privatise the stockbroking firm. (BTimes)

Companies cancelled or postponed US\$8.9 billion (RM28.3 billion) in **initial public offerings** in the third quarter as stocks plunged, putting the market on pace to set a record for pulled deals. The value of withdrawn and delayed IPOs so far this year rose to US\$34 billion, approaching the US\$40 billion pulled in 2010, the most since Bloomberg began compiling data. Siemens AG suspended an IPO of its Osram lighting unit, while US defence equipment maker ADS Tactical Inc and Shanghai-based Xiao Nan Guo Restaurants Holdings Ltd abandoned offerings. (BTimes)

**Atlan Holdings Bhd** is selling two parcels of land measuring 64ha in Bandar Sri Sendayan, Seremban, for RM52.2 million to BSS Development Sdn Bhd. Proceeds from the sale will be used to repay borrowings and working capital for the company. (BTimes)

**Heveaboard Bhd** has received creditors' approval to terminate its restructuring plan. The approval was gained subject to certain conditions being satisfied. According to Heveaboard, all debt had been paid except for three scheme creditors, with which it hopes to come to an arrangement. (BTimes)