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(A Participating Organisation of Bursa Malaysia)

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MARKET FLASH

Friday, 23 Sep 2011

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1370

Resistance : 1400, 1428

Bias : Downtrend

The selldown has left the candle below the 1,400 psychological level as well as the 1391 points support. As it is, the core indicators are still slipping, with the MACD firmly on the downside. As the outlook has turned negative and recovery signs still elusive, the downside pressure will be prevalent in the short term,. The key index will also be searching for its bottom, which for now, lies at the level of 1370.

COMMENTARY

Regional selloff hits FBMKLCI ... The market endured its biggest fall in more than a month as the selloff in regional markets spread to the Bursa Malaysia. Regional bourses were affected by economic problems in U.S. and Europe. Back home, the selling was broad based with only one stock rising for every ten that fell. As expected, blue chip bore the brunt of the selldown. There were also reports of foreign funds liquidating their shareholdings, resulting in the day's volume and value rising substantially.

Waiting for the dust to settle ... Although we expected the FBMKLCI to remain weak, yesterday's selldown was more severe as it was triggered by external factors.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1,387.81	(31.23)
Volume (m)	874.1	
Value (RMm)	1709.4	
Up	85	
Down	802	
Unchanged	162	
FOREIGN		
Nikkei	8560.26	(180.90)
Hang Seng	17911.95	(912.22)
STI	2720.53	(71.26)
Shanghai CI	2443.06	(69.91)

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
Proton	2.38	0.26
AEONCr	4.70	0.15
Kawan	0.995	0.115
HSI-H2	0.25	0.10
Maypak	0.32	0.10
Losers	Close (RM)	Chg(RM)
Dlady	18.88	(0.62)
HLBank	9.98	(0.62)
HLBank-OR	1.37	(0.58)
PetDag	16.40	(0.52)
Nestle	49.00	(0.50)
Actives	Close (RM)	Chg(RM)
Pchem	5.54	(0.27)
Axiata	4.63	(0.06)
Airasia	2.90	(0.26)
Timecom-CA	0.01	0.00
MRCB	1.66	(0.15)

Current Stock Review

Trading Buy – **UEMLAND**



Chart wise:

UEMLand Bhd (5148) – Properties – RM1.73

UEMLand had been trending down possibly on concerns over property overhangs at Nusajaya of the Iskandar Johor region. Profit-taking activities by investors who went in earlier at higher prices may have also contributed to the selling pressure.

However, the correction of more than 20% since last month had cut down its valuation to attractive levels and bargain hunters may start to nibble given its still attractive fundamentals. The technical support is at RM1.50 while resistance is around RM2.00. We are calling a bold trading buy call at this juncture

MAJOR NEWS

Commodity, Currency and Economic News

The euro rallied from near its lowest level in a decade against the yen as finance ministers and central bankers from the Group of 20 nations gather in Washington amid concern global economic growth is slowing. The 17-nation currency rebounded from an eight-month low versus the dollar as President Barack Obama yesterday urged "coordinated action" to prevent the world economy from slipping into a recession. The yen was poised for a weekly advance against all its major peers as stocks tumbled amid concern Europe's debt crisis will weigh on growth. The dollar pared weekly gains versus its most-traded counterparts before meetings of the International Monetary Fund and World Bank. The euro traded at 103.44 yen as of 9:15 a.m. in Tokyo from 102.64 in New York yesterday. The shared currency yesterday fell as low as 102.22, the least since 2001. It fetched \$1.3559 from \$1.3465 yesterday, when it reached \$1.3385, its lowest level since Jan. 19. Japan's currency traded at 76.25 per dollar from 76.24. (Bloomberg)

The Australian and New Zealand dollars rebounded from their lowest levels in more than five months as policy makers gather for the annual meetings of the International Monetary Fund and World Bank in Washington. The so-called Aussie gained versus most of its 16 major counterparts after U.K. Prime Minister David Cameron and five other leaders of Group of 20 nations urged French President Nicolas Sarkozy to use his chairmanship of the body to find agreement on actions to boost the global economy. New Zealand's currency rose against the yen for the first time this week as a technical indicator signaled currency losses were too rapid. Australia's dollar rose to 98.08 U.S. cents at 9:50 a.m. in Sydney from 97.42 cents in New York yesterday, when it touched 96.92 cents, the lowest since Dec. 2. It jumped 0.7 percent to 74.80 yen. New Zealand's currency advanced to 78.54 U.S. cents from 78.05 cents after sinking to 77.53 cents yesterday, a level unseen since April 12. The so-called kiwi climbed 0.7 percent to 59.94 yen. (Bloomberg)

Oil for November delivery climbed 66 cents, or 0.8 percent, to \$81.17 a barrel in electronic trading on the New York Mercantile Exchange and was at \$81.13 at 10:14 a.m. Sydney time. The contract yesterday slid \$5.41, or 6.3 percent, to \$80.51 a barrel, the lowest settlement in six weeks. Futures are down 7.8 percent this week and 11 percent this year. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	10733.80	-391.01	-3.51	Nasdaq CI	2455.67	-82.52	-3.25
S&P 500	1129.56	-37.20	-3.19	FTSE 100	5041.61	-246.80	-4.67

Global and Local Headlines

European finance chiefs said they may use leverage to increase the financial firepower of their regional bailout fund as a selloff in stocks signalled renewed concern that policy makers are failing to ward off a global economic slump. The call to consider raising their fund's ammunition -- made by French Finance Minister Francois Baroin and European Union Commissioner Olli Rehn -- suggests Europe's policy makers are alert to concern among investors and foreign governments that they now lack the muscle to quell their debt turmoil if it spreads toward Italy and Spain. How to tackle Europe's woes will top the agenda when finance ministers and central bankers from the Group of 20 nations gather for dinner in Washington tonight ahead of the annual meetings of the International Monetary Fund and World Bank. They convene after global stocks entered a bear market and Pacific Investment Management Co. Chief Executive Officer Mohamed El-Erian warned the world is on the brink of another financial crisis. (Bloomberg)

The benchmark index for **U.S. stock options** rose a fourth day, the longest streak of gains since July, as volatility gauges rose in Europe and Asia on concern the global economy is slipping into another recession. The VIX, as the Chicago Board Options Exchange Volatility Index is known, jumped 11 percent to 41.35 today, bringing its four-day increase to 33 percent. Europe's VStoxx Index (V2X), which measures the cost of protecting against a decline in the Euro Stoxx 50 Index, rose 8.3 percent to 47.78. Hong Kong's HSI Volatility Index climbed 19 percent, while South Korea's volatility advanced 8.2 percent and India's surged 22 percent, the most since Aug. 5. (Bloomberg)

From next year, **Bursa Malaysia** will have teeth to go after listed companies that make questionable choices in appointing board members and top managers. The latest amendments to the exchange's listing requirements include an obligation imposed on listed companies to ensure that each of their directors, chief executive officers (CEOs) and chief financial officers (CFOs) has "the character, experience, integrity, competence and time" to carry out his role. On the surface, this seems to be a throwaway rule because of the subjectivity and breadth of the criteria. However, this new listing requirement may be used as the basis for enforcement action when companies have directors and key executives who are clearly unsuitable for the job. If the companies cannot provide convincing evidence that they have complied with this rule in appointing and retaining these directors, CEOs or CFOs, the exchange can direct the companies to make the necessary changes. (Star)

Malaysia Airports Holdings Bhd (MAHB) has signed a concession agreement with WCT Bhd and Segi Astana Sdn Bhd (SASB) for privatisation of the construction, development and financing of the integrated complex at KLIA 2 under a 25-year concession. The construction cost is RM530.3mil which will be funded through a combination of external borrowings by SASB and the balance shall be funded by shareholders equity. SASB is wholly-owned by WCT Land Sdn Bhd, which in turn is a wholly-owned unit of WCT. Following the concession agreement, MAHB said it would acquire 30% stake in SASB which would have an issued and paid-up capital of RM106.06mil upon the commencement of the commercial operation of the integrated complex, while WCT Land will maintain a 70% interest. (Star)

Eversendai Corp Bhd's subsidiaries have secured contracts worth RM371mil for projects in India and the Middle East. The company said in statement that Eversendai Construction Pte Ltd was appointed a major sub-contractor to Samsung C&T Pvt Ltd for the shell and core works related to the Worli mixed-use development in Mumbai, India. Eversendai said the scope included reinforced concrete works for the substructure and superstructure with a contract value of RM272.3mil. Another subsidiary, Eversendai Engineering Qatar WLL (EV Qatar), was appointed a sub-contractor to Consolidated Contractors Group S.A.L. (offshore)/ Teyseer Contracting Co WLL for structural steel works at the Qatar Faculty of Islamic Studies Project in Doha, Qatar. EV Qatar's scope of works includes the overall structural steel works with a contract value of RM39.4mil. Eversendai Engineering LLC (EV Dubai), meanwhile, was appointed sub-contractor to Larsen & Toubro Ltd for structural steel works at the Salalah Airport expansion project in Oman. EV Dubai's scope of works includes the overall structural steel works with a contract value of RM58.7mil. (Star)

Minority Shareholder Watchdog Group (MSWG) has raised concerns over the lack of clarity on the ownership of a 23.6% block of shares in **Bandar Raya Developments Bhd** (BRDB) that will hold sway in determining the success or failure of a proposed asset sale to a related party. "The authorities need to determine the ultimate shareholder of this nominee account and whether this block of shares is held by a related party," MSWG said on its website. BRDB is proposing to sell The Bangsar Shopping Centre (BSC), Menara BRDB, CapSquare Retail Centre and Permas Jusco Mall to its major shareholder, Ambang Sehati Sdn Bhd, which holds a 19% interest in the property developer. (Star)

Shareholders have accepted the proposal by **MAA Holdings Bhd** (MAA) to dispose of its entire stake in Malaysian Assurance Alliance Bhd and three other wholly-owned subsidiaries to Swiss-based Zurich Insurance Co Ltd for RM344mil cash. "Although the price offered is low, our shareholders have decided to proceed with the sale in view of the high capital adequacy Bank Negara requires for insurance business," MAA chairman Tunku Datuk Ya'acob Tunku Sri Abdullah told a press conference after the company's EGM yesterday. The selling price values Malaysian Assurance Alliance at 1.36 times book value. (Star)

EON Capital Bhd (EON Cap) shareholders on the register as at Sept 15 will receive a tax-exempt final special dividend of about 2.45 sen per share in addition to a capital repayment of RM2.60. The capital repayment will be on Sept 23 while the special dividend will be paid later. In addition to the first special dividend of RM5.16 paid in June, the total payout to EON Cap shareholders will amount to about RM7.78 per share. Executive chairman Datuk Gooi Hoe Soon said it was heartening to see EON Cap ending its final chapter on a positive note. (Star)

Tradewinds Corp Bhd may demolish yet another building in the city centre. Kuala Lumpur mayor Tan Sri Ahmad Fuad Ismail said that TCB has been granted a development order for the 20-year-old Hotel Istana, located at the corner of Jalan Raja Chulan and Jalan Sultan Ismail. Ahmad Fuad said the order was granted this year to make way for another project. The 30-year-old Hotel Istana sits on a freehold land measuring 11,803 sq m. The 25-storey hotel has a room inventory of 516 rooms. (BTimes)

The Kuala Lumpur Sessions Court yesterday found two former directors of **Multicode Electronics Industries (M) Bhd**, guilty of committing criminal breach of trust under section 409 of the Penal Code involving over RM26 million of funds belonging to the company. Gordon Toh Chun Toh was sentenced to 12 years imprisonment while Datuk Abul Hassan Mohamed Rashid received a jail sentence of six years. Gordon Toh, a Singaporean, was also ordered to pay a fine of RM1 million, in default two years imprisonment. (BTimes)

MISC Bhd, the world's largest owner and operator of liquefied natural gas (LNG), will proceed with its committed capital expenditure of between RM4 billion and RM5 billion in mainly new vessels for the next two to three years despite the signs of a prolonged economic downturn. "We are not the sort of company that will not take deliveries (of committed programmes). Capital expenditure plans on new (intended) programmes, however, like clean petroleum production freight, have been deferred," MISC's president and chief executive officer Datuk Nasarudin Md Idris told reporters after the company's annual general meeting yesterday. According to its annual report, MISC has 14 newbuilds on order for the next two years for its petroleum shipping division. (BTimes)

Hewlett-Packard on Thursday named former eBay chief Meg Whitman its new president and chief executive officer, replacing Leo Apotheker at the helm of the world's biggest computer manufacturer. Whitman, 55, stepped down in 2008 at eBay, the Internet auction giant, and last year made an unsuccessful run to replace Arnold Schwarzenegger as California governor, losing to Democratic veteran Jerry Brown. (BTimes)