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MARKET FLASH

Wednesday, 11 Jan
2012

FBM KLCI DAILY CHART



TECHNICAL INDICATIONS

Support : 1501, 1488

Resistance : 1529, 1546

Bias : Upside

As it is, the mild uptrend is still in force as its core indicators are on a gradual uptrend and this will play a role in sustaining the market ascend. For now, the resistances remain at 1529 and 1546 points level, which is a major hurdle for the candle to clear. On the downside, the immediate support remains at 200 day SMA of 1501, but if it gives way, the next supports are at 1488.

COMMENTARY

Barely up ... The market continues to rise, but just closed in the positive towards the end of the day as the market trended within a four point range during the day. The market started on a positive note with the key index climbing to a high of 1523, but went into the negative zone for the rest of the day, before some last minute buying lifted the index back into the positive territory. On the whole, trading remained lackluster with most of the trading concentrated on lower liners.

Sideway trend? ... After yesterday's indifferent performance, there seems to an inkling that the market may be leaning towards a sideway trend. This is evident after the key index lingered around the 1520 level for the past trading sessions.

MARKET STATISTICS

	Close	Chg.
LOCAL		
FBM KLCI	1521.99	0.26
Volume (m)	1858.4	
Value (RMm)	1872.0	
Up	416	
Down	330	
Unchanged	346	

FOREIGN

Nikkei	8422.26	31.91
Hang Seng	19004.28	138.56
STI	2719.83	28.55
Shanghai CI	2285.74	59.85

BURSA MOVERS

Gainers	Close (RM)	Chg (RM)
UtdPlt	20.00	0.78
F&N	19.02	0.28
KLK	24.84	0.26
PetDag	17.40	0.26
SMISCor	0.75	0.255

Losers	Close (RM)	Chg(RM)
Genting	10.90	(0.24)
GAB	12.42	(0.18)
KLCCP	3.21	(0.17)
LMCemnt	6.75	(0.15)
TWS	9.67	(0.11)

Actives	Close (RM)	Chg(RM)
Takaso	0.245	0.005
JCY-CD	0.60	0.045
JCY	1.17	0.06
MBSB-CA	0.20	0.035
XDL	0.40	0.015

Current Stock Review

Trading Buy on weakness – **Unisem**



Chart wise:

Unisem Bhd (5005) – Technology – RM1.23.

Another technology related company, Unisem had broken out of the down trending channel on the renewed buying support for technology counters. However, for the near term, Unisem, had shot up too strongly and a correction is expected to cool down the overbought position.

The price support is pegged at RM1.10 but Unisem must at least sustain itself above the 10-day moving averages trailing support for the bullish trend to continue. Based on current level, that support is projected to be RM1.12.

MAJOR NEWS

Commodity, Currency and Economic News

The ringgit was little changed against the US dollar yesterday despite buyers' short covering activities, dealers said. At 5pm, the ringgit was quoted at 3.1400/1430 against the greenback from 3.1520/1550 on Monday. Dealers said the ringgit inched up on demand although investors were nervous about the European debt crisis and fears over a Greek default. The currency was stronger against the British pound at 4.8560/8616 from 4.8664/8716 previously and was little changed against the euro at 4.0098/0139 from 4.0242/0286 on Monday. It was weaker against the Singapore dollar at 2.4307/4349 from 2.4285/4327 on Monday and was slightly firmer against the yen at 4.0853/0898 against 4.0983/0027 on Monday. (BTimes)

Crude palm oil futures contract on Bursa Malaysia Derivatives closed mixed in thin trading yesterday, dealers said. Traders were concerned over the erratic weather in Southeast Asia which could restrain production while the weak export data released by two cargo surveyors also depressed market sentiment. At close, January 2012 rose RM10 to RM3,220 per tonne, February 2012 shed RM2 to RM3,219 per tonne, March 2012 was unchanged at RM3,215 per tonne and April 2012 slipped RM1 to RM3,209 per tonne. Volume rose to 16,044 lots from 15,947 on Monday and open interest climbed to 114,346 contracts from 113,780 previously. On the physical market, January South was unchanged at RM3,230 a tonne. (BTimes)

The Malaysian **rubber market** closed mixed yesterday amid gains in Tokyo rubber futures. dealer said the rise in rubber futures on the Tokyo Commodity Exchange was led by gains in crude oil prices. Trading activities were restrained ahead of Chinese New Year holidays, he said. At noon, the Malaysian Rubber Board official physical price for tyre-grade SMR 20 rose 0.5 sen to 1,010.5 sen a kg while latex-in-bulk slid 2.5 sen to 633.0 sen a kg. The unofficial closing price for tyre-grade SMR 20 went down three sen to 1,007.0 sen a kg while latex-in-bulk slipped one sen to close at 635.5 sen a kg. (BTimes)

Gold prices rose back above US\$1,625 an ounce in Europe yesterday, extending their positive early start to the year as the dollar's retreat versus the euro made the metal more attractive for holders of other currencies. Spot gold was up 1 per cent at US\$1,626.76 an ounce at 1041 GMT. It is already up 4 per cent from the start of the year despite a retreat in the euro in the same period, recovering some of the 10 per cent losses the metal posted in December. "A big part of the weakness into the end of the year was people taking profits and liquidity being a bit lower," said an analyst. (BTimes)

Malaysia's factory output as measured by the **industrial production index** (IPI) edged up 1.8% in November compared with a year ago, due to a rise in the manufacturing and electricity sub-indices. However, output slowed when compared with October, which was revised to 2.9% year-on-year from 2.8%. November's IPI data was far below the 3.5% median estimates of economists in a Bloomberg survey. The Statistics Department, which released the IPI data at noon, said the manufacturing and electricity sub-indices expanded 4% and 2.9% respectively while the mining sub-index declined 4.2%. (Star)

Oil dropped from the highest settlement in almost a week in New York amid rising U.S. crude stockpiles and signs European Union talks on an Iranian oil embargo are becoming bogged down. Futures slipped as much as 0.4 percent after the industry-funded American Petroleum Institute said crude supplies gained 397,000 barrels last week. An Energy Department report today may show they rose 1 million barrels, according to the median of 12 analyst estimates in a Bloomberg News survey. European Union talks on an Iranian oil embargo are stalling over discussions on exemptions for existing supply contracts and the length of a planned phase-in period, according to four diplomats. Crude for February delivery declined as much as 43 cents to \$101.81 a barrel in electronic trading on the New York Mercantile Exchange and was at \$101.85 at 11:43 a.m. Sydney time. The contract yesterday climbed 0.9 percent to \$102.24, the highest close since Jan. 4. Prices are up 3.1 percent this year. (Bloomberg)

The euro snapped a two-day gain against the dollar as pressure grows to complete a Greek debt swap needed to put a rescue plan in place and ahead of debt auctions tomorrow by Spain and Italy. The 17-nation currency bought \$1.2756 at 9:24 a.m. in Tokyo from \$1.2778 yesterday in New York. (Bloomberg)

Major US and UK Equity Indices

Index	Day Close	Change	Change (%)	Index	Day Close	Change	Change (%)
DJIA	12462.50	69.78	0.56	Nasdaq CI	2702.50	25.94	0.97
S&P 500	1292.06	11.38	0.89	FTSE 100	5696.70	84.44	1.50

Global and Local Headlines

Japanese stocks rose for a second day as optimism about the U.S. economy outweighed concern Europe's debt crisis was deepening. Toyota Motor Corp. (7203), the world's biggest carmaker by market value, rose 0.2 percent. Mitsubishi Corp. (8058), a Japanese trading company, gained 0.7 percent after oil and other commodity prices advanced. Nomura Holdings Inc. (8604), Japan's biggest brokerage by market value, added 1.2 percent after its head of global markets agreed to step down, according to a person with knowledge of the matter. Tokyo Electric Power Co. (9501) and Olympus Corp. dropped after the companies both soared at least 20 percent yesterday on speculation they would not be delisted. The Nikkei 225 Stock Average gained 0.4 percent to 8,453.00 as of 9:10 a.m. in Tokyo. The broader Topix Index gained 0.4 percent to 734.48. (Bloomberg)

Private equity company Navis Capital Partners is not planning to buy into China-based apparel and shoe-maker **Xidelang Holdings Ltd** (XDL) anytime soon, thus ending speculation that a buyout of the company is in the offing. Navis managing partner Nick Bloy said the private equity firm had earlier considered this investment but had decided that it would not go ahead at this point in time. "We did look at it (XDL) about five months ago, when we had informal discussions. However, we had then decided not to pursue this investment now," Bloy told StarBiz. (Star)

Gamuda Bhd said it had been invited by China Railway Construction Co (CRCC) earlier on to be one of its local construction partners for the upgrading of the Gemas-Johor Baru railway line to an electrified double-tracking track. Confirming a StarBiz report yesterday, a Gamuda spokesperson told StarBiz that it believed it had been chosen to be part of the consortium as it had a proven track record and expertise from the Ipoh-Padang Besar electrified double-tracking project. StarBiz had reported on Tuesday that Gamuda had been roped in to be part of a group which is the front-runner for the construction of the Gemas-Johor Baru line. (Star)

CIMB Group Holdings Bhd, Malaysia's second largest lender, is likely to ink a deal to buy a 60 per cent stake in the Philippine's Bank of Commerce (BOC) by the end of this month, a source said. The deal would mark CIMB's first venture into the Philippines and further cements its footprint in the Asean region. "It's going for a 60 per cent stake," the source told Business Times. Valuations are still being worked out, the person said. (BTimes)

The Malay Chamber of Commerce Malaysia (MCCM) has offered RM6.90 per share for all the shares of **QSR Brands Bhd**. The offer made by the chamber is 10 sen higher than what has been offered by Massive Equity Sdn Bhd which is RM6.80 per share. Massive Equity is owned by Johor Corp Bhd (JCorp) and CVC Capital Partners. JCorp is the investment arm of the Johor state government. JCorp owns 53 per cent of Kulim Bhd, which in turn owns some 57.5 per cent of QSR. QSR, in turn, owns 50.6 per cent of KFC Holdings (M) Bhd, the country's top fast food operator. (BTimes)

SapuraCrest Petroleum Bhd's joint venture, SapuraAcergy Sdn Bhd, has been awarded a US\$100 million (RM314 million) contract for a subsea construction product, offshore Vietnam. Sapura- Acergy is equally owned by SapuraCrest and Oslo-listed oil services company, Subsea 7 SA. The job, to be performed in mid-2012, involves the installation of a 28km 12-inch diameter pipeline, a 28km umbilical, pipeline end termination and Subsea isolation valve, structures, spools and pre-commissioning, the company told Bursa Malaysia yesterday. (BTimes)

Poh Kong Holdings Bhd, the country's largest jeweller by revenue and size, expects to deliver another record revenue in the current financial year, boosted by continued high demand for gold globally. Head of corporate affairs, administration and human resource, Margaret Hon, expects the company to at least sustain a 23 per cent revenue growth rate in the current financial year. "In fact, we are positive that we will record higher growth this year," she said after Poh Kong's annual general meeting here yesterday. (BTimes)