

MARKET NEWS

The FBMKLCI added only 0.93pt to close at 1,867.35 as a notable gain in YTL kept the index in positive territory amid profit-taking across the board. The MSCI Asia Pacific excluding Japan Index slipped 0.4%, as Asian stocks outside of Japan fell, with Chinese shares in Hong Kong sliding to a month's low after a private manufacturing report signalled persisting weakness in China's economy. Top gainers were YTL (+7.1%), Genting (+0.8%) and Digi (+0.7%) while the top losers were FGV (-1.9%), MISC (-1.5%) and SapuraKencana Petroleum (-1.4%). In the broader market, losers outpaced gainers 468 to 395 with 776 counters unchanged. Turnover was 2.23b shares valued at RM2.10b.

From a technical perspective, despite closing in positive territory, the FBMKLCI formed a "high wave" candlestick pattern yesterday, implying the indecisive nature of the current movement. Given the steep gain of 22pt in the last 5 days, profit-taking activity could kick in and leave the index vulnerable to a minor pullback. However, the overall trend remains on the upside, thus we expect a retest of the all-time high of 1,882 soon once the selling pressure has eased. Support and resistance levels are as follows:

Support: 1,845, 1,803

Resistance: 1,870, 1,882

The US stock market ended Wednesday's choppy session lower, as investors paused for breath after six-straight days of gains on the S&P 500 and Nasdaq Composite. The S&P 500 lost 4.16 pts, or 0.2%, lower at 1,875.39 and the DJIA lost 12.72pts, or 0.1%, lower at 16,501.65. In US economic news, sales of new single-family homes plunged 14.5% to a seasonally adjusted annual rate of 384,000, the lowest level since Jul 13, with drops in three of four US regions. Markit's preliminary reading on the manufacturing purchasing managers' index for Apr 14 slipped to 55.4, disappointing investors who were expecting a slight rise from March.

WHAT'S IN THE PACK

Ho Hup Construction (HO MK) Technical BUY with +15.6% potential return

BUY with a target price of RM1.94 with stop loss placed below RM1.53. HO's share price had retraced from the recent high of RM1.57, continuing to consolidate downward in the last 5 weeks before rebounding off the "cloud" and successfully penetrating the immediate resistance of RM1.57 on 21 Apr 14.

Fitters Diversified (FIT MK) Technical BUY with +18.9% potential return

BUY with a target price of RM1.03 with stop loss placed below RM1.02. Following the recent pullback from the high of RM1.09, FIT's share price has established a support level around the RM1.03 level. Yesterday's gap-up on the back of a higher trading sailed through the immediate resistance of RM1.09, suggesting a genuine breakout.

Pinehill Pacific (PPB MK) Technical BUY with +37.0% potential return

BUY with a target price of RM0.500 with stop loss placed below RM0.335. PPB's share price has been consolidating in a tightening range since 12 Jun 13 as the fluctuations in share price have formed a bullish continuation pattern in the form of a "symmetrical triangle" in the last 10 months.

FBMKLCI CHART



Source: BursaStation

KEY INDICES

	Prev Close	Chg (%)	YTD (%)
DJIA	16,501.65	(0.08)	(0.45)
S&P 500	1,875.39	(0.22)	1.46
FTSE 100	6,674.74	(0.11)	(1.10)
CSI 300	2,194.67	(0.10)	(5.81)
FSSTI	3,258.01	(0.60)	2.86
HSCEI	9,905.63	(1.25)	(8.42)
HSI	22,509.64	(0.97)	(3.42)
JCI	4,893.15	(0.10)	14.48
KLCI	1,867.35	0.05	0.02
KOSPI	2,003.17	0.14	(0.41)
Nikkei 225	14,546.27	1.09	(10.71)
SET	1,423.39	0.59	9.80
TWSE	8,956.92	(0.20)	4.01
BDI	956.00	1.81	(58.01)
CPO (RM/mt)	2,651.00	(1.19)	(0.30)
Nymex Crude (US\$/bbl)	101.57	0.13	4.41

Source: Bloomberg

TOP VOLUME

Stock	Price (RM)	Chg (%)	Vol ('000)
1 Utopia	0.08	(6.25)	113,156
Hubline	0.04	(11.11)	84,421
Talam Transform	0.10	(4.76)	52,864
Tiger Synergy	0.16	3.23	47,372
YTL Corp	1.65	7.14	41,989

TOP GAINERS

Stock	Price (RM)	Chg (%)	Vol ('000)
PFCE	0.43	36.51	376
Melewar Industrial	0.28	24.44	94
Fututech	0.89	18.67	25
Adv Packaging	2.22	16.84	59
Muda Holdings	1.90	15.85	4,433

TOP LOSERS

Stock	Price (RM)	Chg (%)	Vol ('000)
Perduren (M)	0.82	(18.00)	1
Hubline	0.04	(11.11)	84,421
R&A Telecom	0.04	(11.11)	2,729
Asia Bioenergy	0.08	(11.11)	39,658
Key Asic	0.10	(9.09)	9

Source: Bloomberg

TRADERS' CORNER



Ho Hup Construction (HO MK)

Technical BUY with +15.6% potential return

Last price : RM1.68

Target Price: RM1.81, RM1.94

Support : RM1.57

Stop-loss: RM1.53

BUY with a target price of RM1.94 with stop loss placed below RM1.53. HO's share price had retraced from the recent high of RM1.57, continuing to consolidate downward in the last 5 weeks before rebounding off the "cloud" and successfully penetrating the immediate resistance of RM1.57 on 21 Apr 14. Given yesterday's positive follow-through, the share price is now trading in new territory. In view of the rising momentum as flashed by positive readings in MACD and Stochastic, we expect upward continuation subsequently. The emergence of fresh buying interest as shown by a higher than average volume (20-day average of 3.1m) is a sign of persistent buying pressure, thus we peg our upside target at the 1.61x Fibonacci extension level of RM1.94 over the short to medium term.



Fitters Diversified (FIT MK)

Technical BUY with +18.9% potential return

Last price : RM1.11

Target Price : RM1.23, RM1.32

Support : RM1.03

Stop-loss: RM1.02

BUY with a target price of RM1.03 with stop loss placed below RM1.02. Following the recent pullback from the high of RM1.09, FIT's share price has established a support level around the RM1.03 level. Yesterday's gap-up on the back of a higher trading volume of 18.2m (vs 20-day average of 8.3m) sailed through the immediate resistance of RM1.09, suggesting a genuine breakout. As the share price has been trading in new territory, we expect to see upward continuation hereafter. This will be supported by surging momentum as shown by a positive reading in both MACD and Stochastic. Using the Fibonacci extension, we peg our medium-term target at the 1.61x level which is equivalent to RM1.32.