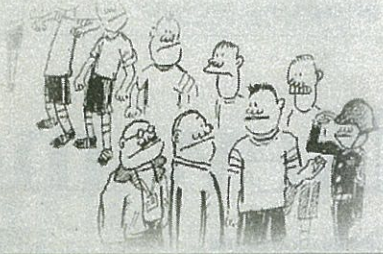


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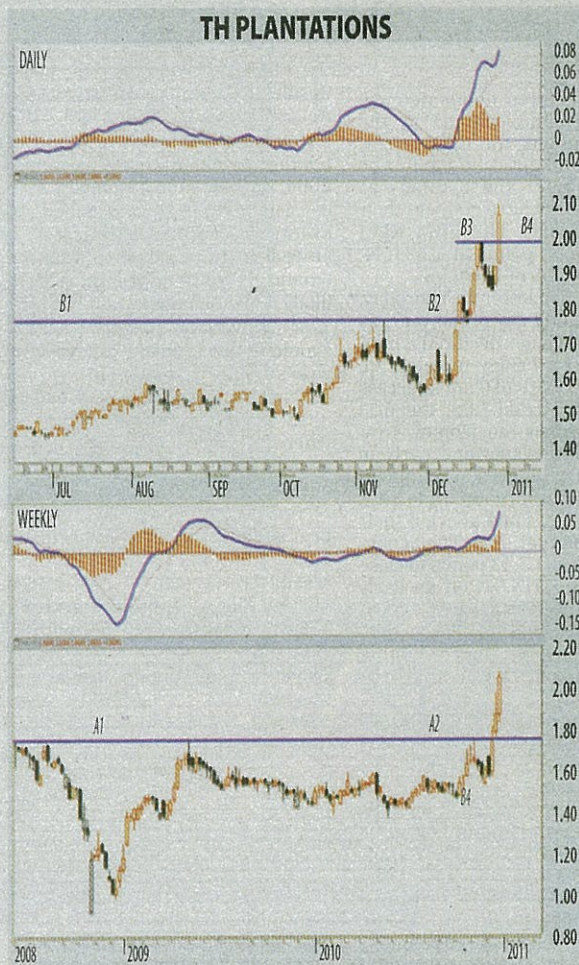
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MONDAY, JANUARY 3, 2011

Peninsular Malaysia RM1.20 ■ Sabah and Sarawak RM1.80 ■ Brunei BS1.80 ■ PP413/09/2011 (028690)

TH Plantations poised to rewrite records



SHARE prices on Bursa Malaysia rebounded moderately last week. The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) continued to stay above its critical support of 1,500 points when it closed at 1,518.91 on Thursday.

Key heavyweight index-linked counters provided the momentum thrust for the rebound. The FBM KLCI hit an intra-week high of 1,529.95 on Thursday, the last trading day of the year, after rallying from an intra-week low of 1,509.55 on Tuesday, giving an intra-week trading range of 20.40 points. The benchmark index notched a week-on-week gain of 7.33 points, or 0.48 per cent.

On the foreign front, the New York Stock Exchange continued to trade sideways. The Dow Jones Industrial Average closed relatively flat at 11,577.51 on Friday, posting a week-on-week gain of 4.02 points, or 0.03 per cent.

The Hong Kong stock market once again stayed above the 23,000 level last week. The Hang Seng Index closed at 23,035.45 on Friday, giving a week-on-week gain of 201.65 points, or 0.88 per cent.

In Tokyo, the benchmark Nikkei 225 index remained above its critical support of 10,000. It closed at 10,228.92 points on Thursday, giving a week-on-week loss of 50.27 points, or 0.49 per cent.

On Bursa Malaysia, TH Plantations Bhd staged a technical rebound. Its daily price trend rebounded to close at RM2.08 on Thursday, giving a week-on-week gain of 18 sen, or 9.47 per cent.

The following are the readings of some of its technical indicators:

TAKING STOCK

By S.N. Lock

Moving Averages: TH Plantations' daily price trend stayed above all its 10-, 20-, 30-, 50-, 100- and 200-day moving averages.

Momentum Index: Its short-term momentum index continued to stay decisively above the support of its neutral reference line last week.

On Balance Volume (OBV): Its short-term OBV stayed above the support of its 10-day moving averages.

Relative Strength Index (RSI): Its 14-day RSI had since stayed above the 50 level. Its technical reading stood at the 73.87 per cent level at the market close last Thursday.

Outlook

Last week's market rebound was led primarily by mild window-dressing activities. Key heavyweight index-linked counters played pivotal roles in shoring up the FBM KLCI. Select ed plantation counters emerged with some interesting plays. TH Plantations was one of these counters with a week-on-week increase of 9.47 per cent.

TH Plantations, a plantation arm of Lembaga Tabung Haji, is engaged in the business of oil palm plantations in Malaysia. The group has a total plantation landbank of about 39,000ha and five palm oil mills with a total capacity of 702,000 tonnes a year.

Chartwise, TH Plantations' monthly price trend staged a technical breakout of its 44-month overhead resistance in December 2010. The multi-

month breakout augurs well for its intermediate- to long-term perspectives.

Its weekly price trend staged a technical breakout of its overhead resistance (See TH Plantations' weekly price trend A1:A2) during the second half of December 2010. Its weekly price trend continued to stay above its immediate downside support (A1:A2).

TH Plantations' daily price trend staged a technical breakout of its short-term overhead resistance (See TH Plantations' daily price trend B1:B2) on Thursday. Earlier, TH Plantations' daily price trend staged an overhead breakout of its resistance (B1:B2).

Its daily, weekly and monthly fast MACDs (Moving Average Convergence Divergence indicators) continued to stay above their respective slow MACDs at the market close last Thursday. The bullish configurations bode well for its near-term perspectives.

Its 14-day Relative Strength Index (RSI) stood at the 73.87 per cent level last Thursday. Its 14-week and 14-month RSI were at the 79.19 and 70.01 per cent levels respectively.

Following the successful technical breakouts of overhead resistances (A1:A2 and B3:B4) on its daily and weekly price charts, TH Plantations' daily price trend is now poised to rewrite historical highs en route to its upside objective of RM2.50-RM2.70 levels.

The subject expressed above is based purely on technical analysis and opinions of the writer. It is not a solicitation to buy or sell.