

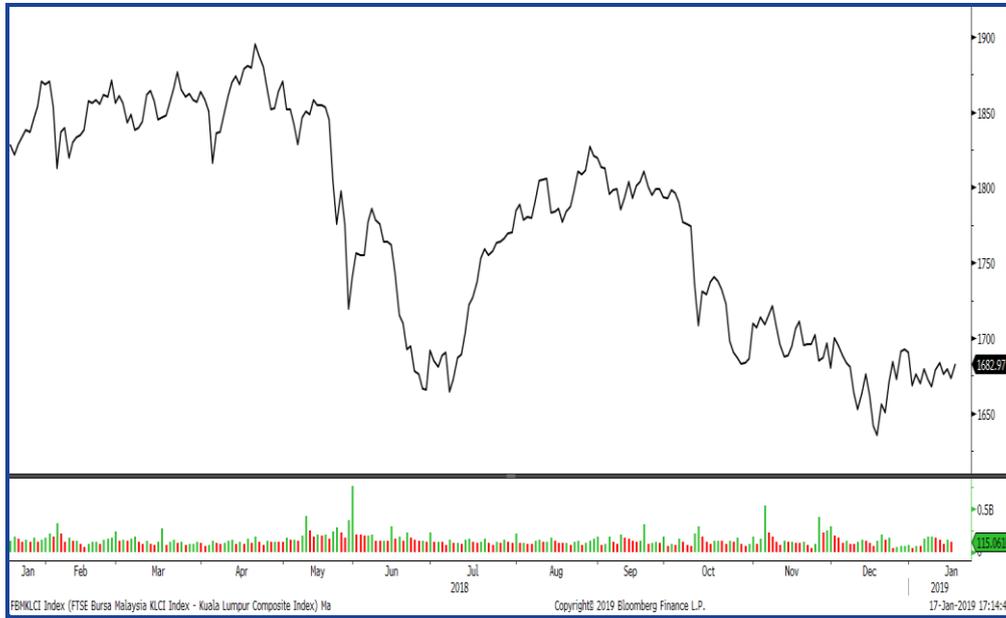
Market Pulse

Friday, 18 Jan, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 17-Jan-19	Change %
FBM KLCI	1,682.97	0.59
52-W High	1,896.03	
52-W Low	1,626.93	
FBM EMAS	11,650.43	0.60
FBM 100	11,530.16	0.59
FBM Fledgling	14,718.58	0.34
FBM Small Cap	12,208.38	0.74
FBM ACE	4,463.59	-0.24
FBM Shariah	11,575.00	0.68
Volume (mln)	2,404.11	3.08
Value (RM mln)	2,037.91	8.38

Market Participation	%	Net (RM mln)
Institution	N/A	N/A
Retail	N/A	N/A
Foreign	N/A	N/A

Futures		
FKLI Spot	1,681.50	0.57
FKLI Forward	1,680.50	0.48

Foreign		
Dow Jones	24,370.10	0.67
S&P 500	2,635.96	0.76
NASDAQ	7,084.46	0.71
FTSE 100	6,834.92	-0.40
DAX	10,918.62	-0.12
CAC 40	4,794.37	-0.34
FTSE STI	3,214.44	-0.45
Shanghai Composite	2,559.64	-0.42
Hang Seng Index	26,755.63	-0.54
Nikkei 225	20,402.27	-0.20

Commodities		
WTI Crude Oil (USD)	52.14	0.13
Brent Spot (USD)	61.18	-0.23
Gold (USD)	1,292.14	0.01
CPO (RM)	2,198.00	1.06

Currency		
USD	4.1135	-0.11
GBP	5.2906	-0.07
EURO	4.6854	0.18
SGD	3.0326	0.06
YEN	26.4620	-0.20

Tentative Upsides

- The FBM KLCI notched gains on Thursday on bargain-hunting activities in selected heavyweights, while the lower liners closed broadly higher, with the exception of the FBM Ace (-0.2%). The broader market also rallied with ten-of-twelve sectors in the green.
- Market breadth held steady as winners beat the losers on a ratio of 477-to-331 stocks. Traded volumes also inched 3.1% higher to 2.40 bln on the extended foreign buying-interests.
- O&G-linked companies like Petronas Dagangan (+18.0 sen), Dialog (+14.0 sen) and Petronas Chemicals (+12.0 sen) were among the biggest Main Board gainers, followed by Genting (+40.0 sen) and giant glove manufacturer Hartalega (+27.0 sen). Other advancers include sin-stocks like Heineken Malaysia (+28.0 sen), BAT (+26.0 sen) and Carlsberg (+26.0 sen), together with Vitrox (+38.0 sen) and Aeon Credit (+26.0 sen).
- On the opposite side of the trade, Seni Jaya (-18.0 sen), Perusahaan Sadur Timah Malaysia (-10.0 sen), MCT (-9.0 sen), Latitude Tree (-8.0 sen) and Malaysian Pacific Industries (-8.0 sen) weighed on the broader market. Meanwhile, the only five blue-chip decliners were Malaysia Airports (-3.0 sen), Ambank (-3.0 sen), MISC (-3.0 sen), Public Bank (-2.0 sen) and Maybank (-1.0 sen).
- Chinese stockmarkets were mostly lower on Thursday over worries that ongoing U.S. investigations over Huawei's alleged trade secret theft will weigh on trade relationships. The Shanghai Composite index fell 0.4%, while the Hang Seng Index narrowed by 0.5%. The Nikkei (-0.2%) was also in the red, weighed down by losses in automakers and the strengthening Yen, while ASEAN

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stockmarkets closed mixed.

- Major U.S. benchmark bourses extended their winning streak, lifted by gains in industrial and healthcare-linked stocks despite rising concerns of the U.S. federal government shutdown, notably the longest shutdown in U.S. history. The Dow (+0.7%) mounted a late-session rally, on the back of gains in DowDuPont (+1.6%) and Caterpillar (+2.2%). On the broader market, the S&P 500 and Nasdaq also advanced, following expectations of easing U.S.-China trade tensions.
- European equities retreated, weighed down by the weakness in banks, while investors digested fresh corporate earnings. The DAX and the CAC erased 0.1% and 0.3% respectively after French bank Societe Generale SA warned of weaker revenue prospects. Similarly, U.K.'s blue-chip gauge - the FTSE also fell 0.4%, dragged down by broadcaster ITV (-5.9%) on thinning traditional TV viewers.

THE DAY AHEAD

- We think the key index could end the week with further gains, following through yesterday's upside in tandem with the gains on many key global stock indices overnight. Much of the gains stems from optimism over a potential positive outcome in the U.S-China trade talks that is set to resume at the end of the month.
- With the key index taking out the 1,680 level, the next target is the 1,690 level. However, the way up could become choppier as we expect the upsides to be met by bouts of profit taking activities ahead of the long weekend that could also slow the ascend. Beyond the 1,690 level, the next support of 1,700 points which we think is still formidable to clear

at this juncture. The supports are at 1,680 and 1,670 respectively.

- We also think the broader market shares and the lower liners will continue to make headway over the near term amid the continuing recovery after their prolonged downside that lasted a year. Nevertheless, we also see the upsides punctuated by the bouts of profit taking activities after the recent gains that would limit their upside potential.

COMPANY BRIEF

- **Kerjaya Prospek Group Bhd** has secured a RM155.0 mln contract from **HCK Capital Group Bhd** to undertake building works for a proposed development in Cyberjaya, Selangor. The contract entails the construction of the main building of the development comprising two 11-storey blocks of service suites and one 25-storey block of service suites, car park podiums, common areas and facilities. The contract commences on 1st March 2019 for a period of 24 months. The job win is Kerjaya Prospek's first for 2019 and brings its total outstanding order book to about RM3.10 bln. (The Star Online)
- **Muhibbah Engineering (M) Bhd** said that it has lost the contract to build a supply base wharf at the Bintulu Port in Sarawak. Muhibbah, which owns a 51.0% stake in the joint venture company, won the RM584.8 mln contract on 28th April 2017. The project was supposed to be completed by the end-2019. Muhibbah is in negotiation and discussion with Bintulu Port Authority over the notice of termination and expects a fair compensation with respect to the termination of the contract. (The Star Online)
- **Berjaya Land Bhd** (BLand) has inked a

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partnership with Four Seasons Hotels and Resorts to develop the Four Seasons Resort and Private Residences Okinawa in Japan with a gross development value of US\$1.00 bln (RM4.11 bln). The project would take four years to complete and the master plan development site is about 100 ac. of beach front land owned by Bland along the western coast of the island, some 50 km northeast of Naha International Airport. (The Edge Daily)

- **Sinmah Capital Bhd** has earmarked RM100.0 mln in capital expenditure for the construction of a hospital in Nilai as it makes its maiden venture into healthcare. Via 70%-owned unit Sinmah Amegajaya Healthcare Sdn Bhd, the company inked a deal to acquire a property in Nilai for RM27.0 mln and plans to redevelop it into Malaysia's first full-service Integrated Public-Private University Hospital. The company is also looking at a Sukuk issuance to raise RM500.0 mln to fund the development of a number of hospitals, with the first tranche of RM200.0 mln to be issued in 2019. (The Edge Daily)
- **Affin Bank Bhd's** unit Affin Hwang Investment Bank Bhd, in collaboration with **Bursa Malaysia Bhd**, launched its Securities Borrowing and Lending (SBL) to enable retail investors to lend out their idle shares and earn interest income over and above the dividends they would normally receive. The retail SBL is part of the efforts to boost retail interest in the market. It targets to achieve RM50.0 mln in securities lending book size in 2019. (The Edge Daily)
- **Kumpulan Powernet Bhd** has reported that the MoU it inked with Japan's Applied Science Co Ltd to commercialise the technology of superfast charging and discharging of battery related products has been mutually terminated. No reason was disclosed for the termination of the MoU, which was entered into in

September 2018. (The Edge Daily)

- **Pavilion Real Estate Investment Trust** (REIT) has decided not to participate in the ownership of the Pavilion Bukit Jalil mall here, which is being developed by **Malton Bhd**. No reason was given for the decision made by the REIT. Malton had, on 8th August 2018, formally invited Pavilion REIT to participate in the ownership. This was followed by a due diligence and discussions between the two parties on the method of participation and negotiations on relevant terms and conditions. (The Edge Daily)
- **Scomi Energy Services Bhd** (SESB), the 65.6%-owned unit of **Scomi Group Bhd**, has clarified that its parent owed it RM47.8 mln and not just RM28.4 mln as reported on 17th January 2019. The total outstanding sum comprises RM19.4 mln in relation to a shared service agreement and RM28.4 mln worth of advances that Scomi Group still owes SESB under related party transactions as at end-2018. (The Edge Daily)
- **Malaysia Airports Holdings Bhd** (MAHB) has appointed retired Federal Court judge Tan Sri Zainun Ali as its Non-Independent Non-Executive Chairman with effect from 19th January 2019, following the resignation of Tan Sri Syed Zainol Anwar Syed Putra Jamalullail. Zainun has held various positions in the legal and judicial service. She was appointed a judicial commissioner in August 1996 and named a Federal Court judge on 4th April 2012, a position which she retired from on 4th October 2018. (The Edge Daily)

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