

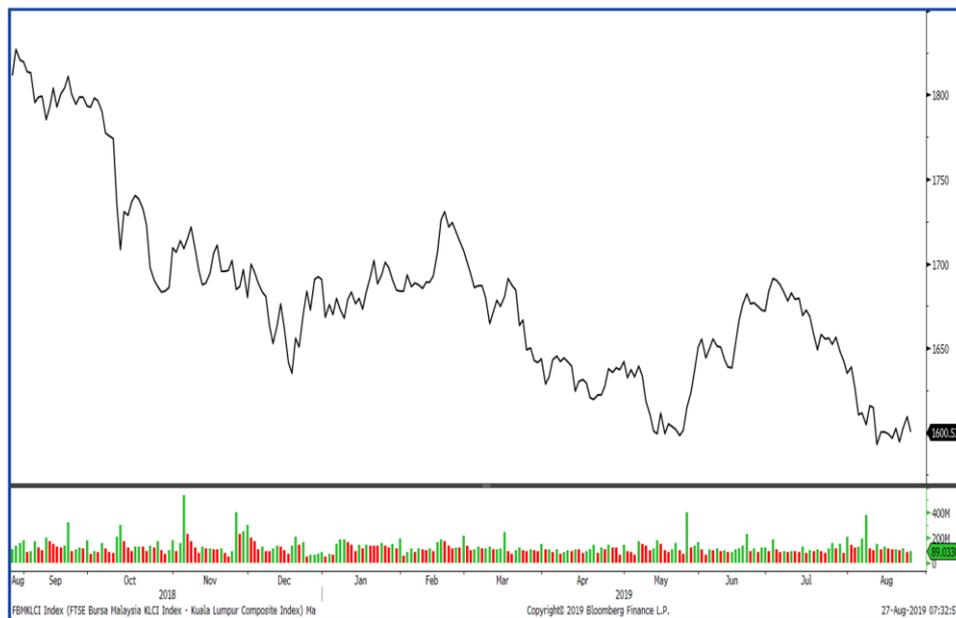
Market Pulse

Tuesday, 27 Aug, 2019

M+ Online
Equipping Traders For The Win

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FBM KLCI – Daily



Poised For A Recovery

- Tracking the sharp downturn on Wall Street last Friday, the FBM KLCI (-0.6%) gapped down to close marginally above the 1,600 psychological level alongside with the weakness across its regional peers. The lower – the FBM Small Cap (-1.2%), FBM Fledgling (-1.1%) and FBM ACE (-0.8%) all sank, while the REIT sector (+0.3%) escaped the broader market bloodbath.
- Unsurprisingly, market breadth remained negative as losers hammered the gainers on a ratio of 661-to-211 stocks, while 345 stocks traded unchanged. Traded volumes, however, rose 8.4% to 2.21 bln shares as selling activities escalated.
- Key losers on the local bourse were Petronas-related stocks like Petronas Dagangan (-96.0 sen), Petronas Chemicals (-31.0 sen) and Petronas Gas (-30.0 sen), while Nestle and KLK

slipped 70.0 sen and 14.0 sen respectively. Meanwhile, BAT (-58.0 sen), DRB Hicom (-35.0 sen), Aeon Credit (-28.0 sen) and Cahya Mata Sarawak (-22.0 sen) fell on the broader market.

- In contrast, notable gainers on the broader market were Carlsberg (+94.0 sen), Heineken (+24.0 sen), Fraser & Neave (+16.0 sen), Panasonic (+12.0 sen) and MI Equipment (+11.0 sen). There were only five advancers on the FBM KLCI – Hong Leong Financial Group (+18.0 sen), Maxis (+9.0 sen), Axiata (+8.0 sen), RHB Bank (+5.0 sen) and IHH (+2.0 sen).
- Asia's benchmark indices took a dive as the Nikkei (-2.2%) sank to close at its three-week low. The Shanghai Composite slipped 1.2%, while the Hang Seng Index tumbled 1.9% to close below the 26,000 psychological level on

Market Scorecard

	Close 26-Aug-19	Change %
FBM KLCI	1,600.53	-0.55
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,302.85	-0.73
FBM 100	11,138.34	-0.72
FBM Fledgling	14,331.03	-0.84
FBM Small Cap	13,017.80	-0.95
FBM ACE	4,513.65	-0.88
FBM Shariah	11,812.57	-0.94
Volume (mln)	2,211.15	10.00
Value (RM mln)	1,814.49	4.14
Market Participation		
	%	Net (RM mln)
Institution	N/A	N/A
Retail	N/A	N/A
Foreign	N/A	N/A
Futures		
FKLI Spot	1,592.50	-0.50
FKLI Forward	1,584.50	-0.53
Foreign		
Dow Jones	25,898.83	1.05
S&P 500	2,878.38	1.10
NASDAQ	7,853.74	1.32
FTSE 100	7,094.98	-0.47
DAX	11,658.04	0.40
CAC 40	5,351.02	0.45
FTSE STI	3,065.33	-1.45
Shanghai Composite	2,863.57	-1.17
Hang Seng Index	25,680.33	-1.91
Nikkei 225	20,261.04	-2.17
Commodities		
WTI Crude Oil (USD)	53.84	0.37
Brent Spot (USD)	58.70	-1.08
Gold (USD)	1,527.14	-0.01
CPO (RM)	2,269.00	0.31
Currency		
USD	4.2032	-0.29
GBP	5.1445	-0.59
EURO	4.6712	-0.72
SGD	3.0293	-0.25
YEN	25.2010	0.98

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recession fears amid the prolonged political uncertainties. ASEAN equities, meanwhile, were painted in red on Monday.

- U.S. stockmarkets started off the week on a strong footing as the Dow (+1.1%) recovered some of its previous session's losses after both U.S. and China are ready for another round of trade negotiations. On the broader market, the S&P 500 added 1.1%, while the Nasdaq finished 1.3% higher.
- European benchmark indices also ended higher as the CAC and DAX gained 0.5% and 0.4% respectively on the potential resumption of the Sino-U.S. trade talks. The FTSE was closed for the Summer bank public holiday.

THE DAY AHEAD

- After a subdued performance yesterday where the key index managed to haul back to the 1,600 points level, the tide is set to change again with the key index set for gains over the near term. This follows the slight thawing of the U.S-China trade war that could give rise to some fresh bargain hunting activities.
- Although overseas events are still likely to dictate the FBM KLCI's performance, the peak results reporting season is likely to provide some leads to the local equity market. Corporate Malaysia's results performances have been mixed-to-lower thus far and have provided few catalysts for market players to follow.
- Therefore, the wariness over the market's performance is likely to continue and this may limit the key index's potential upsidess in the near term. Meanwhile, the key index's resistances remain at 1,610 and 1,620 respectively, while the supports are at the 1,580-1,590 levels.

- The lower liners and broader market shares could also mirror the near term performance of the index-linked stocks and also stage a minute recovery. Still, interest on the stocks have tapered due to the volatile market conditions and with cautiousness still prevailing, we also think that their recovery could also be largely muted.

COMPANY BRIEF

- **UOA Development Bhd's** 2Q2019 net profit climbed 6.0% Y.o.Y to RM125.1 mln, from RM118.0 mln, on higher progress billings from its ongoing development projects, while revenue grew 12.9% Y.o.Y to RM344.3 mln, from RM305.0 mln a year ago. New property sales for 2Q2019 was approximately RM318.8 mln, with contributions mainly from projects such as South Link Lifestyle Apartments, Sentul Point Suite Apartments, Desa Green, United Point Residence, and other sale of inventories. (The Star Online)
- **RHB Bank Bhd's** 2Q2019 net profit rose 7.9% Y.o.Y to RM615.4 mln, from RM570.3 mln a year ago, on the back of higher non-fund based income and lower expected credit loss (ECL) on loans. Revenue for the quarter also gained 12.0% Y.o.Y to RM3.42 bln, from RM3.05 bln in the same period last year. Consequently, the group has declared an interim single-tier dividend of 12.5 sen per share.
- Separately, RHB Bank is expected to complete the disposal of up to 94.7% in RHB Insurance Bhd to Tokio Marine Asia Pte Ltd by the end of 1Q2020 as talks and due diligence on the proposed transaction are still ongoing. (The Star Online)
- **Tiong Nam Logistics Holdings Bhd's**

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- 1QFY20 net profit plunged 60.0% Y.o.Y to RM1.9 mln, from RM4.9 mln in 1QFY19, weighed down by losses in the hotel and dormitory segments. Quarterly revenue, meanwhile, was about 3.0% Y.o.Y lower to RM150.0 mln, from RM155.2 mln a year earlier amid the weaker performance of the property division. (The Edge Daily)
- **Malaysian Resources Corporation Bhd's (MRCB)** 2Q2019 net profit took a beating - falling 67.0% Y.o.Y to RM11.1 mln, from RM33.5 mln in the same quarter last year, mainly due to lower billings from its property development projects. Revenue also shrunk 41.0% Y.o.Y to RM241.0 mln, from RM405.3 mln a year ago.
 - Consequently, cumulative 1H2019 net profit plummeted 72.0% Y.o.Y to RM15.2 mln, from RM55.0 mln, as revenue fell 43.0% Y.o.Y to RM475.0 mln, from RM832.9 mln last year. (The Edge Daily)
 - **GD Express Carrier Bhd (GDex)** posted an increase of more than 50.0% Y.o.Y in its 4QFY19 net profit to RM9.9 mln, compared to RM6.5 mln a year ago, on reversal of tax penalty arising from under-provision of income tax expense in prior years. Revenue also grew 10.7% Y.o.Y to RM82.3 mln, from RM74.4 mln in 4QFY18.
 - The improved quarterly performance helped lift the group's full-year net profit to RM32.5 mln (+37.4% Y.o.Y), from RM23.6 mln a year ago, while revenue rose 8.4% Y.o.Y to RM317.6 mln, from RM293.0 mln previously. The group has also declared a final dividend of 0.25 sen per share. (The Star Online)
 - **Aeon Co (M) Bhd** has doubled its 2Q2019 net profit to RM19.5 mln, from RM9.8 mln in the previous corresponding period, due to the absence of impairment losses at an associate. Revenue, however, was only up by 3.0% Y.o.Y to RM1.1 bln, from RM1.06 bln a year earlier.
 - Cumulative 1H2019 net profit also rose 38.0% Y.o.Y to RM52.1 mln, from RM37.7 mln in the previous year, while revenue improved about 6.0% Y.o.Y to RM2.31 bln, from RM2.18 bln in 1H2018. (The Edge Daily)
 - **Southern Steel Bhd** reported its third consecutive quarterly net loss, following a 4QFY19 net loss of RM34.9 mln vs. a net profit of RM35.2 mln a year ago, on the back of lower selling prices that saw revenue falling 21.6% Y.o.Y to RM697.0 mln, from RM888.6 mln a year ago.
 - Consequently, full-year loss accumulated to RM119.1 mln, compared with to a net profit of RM210.9 mln in the previous year, while revenue narrowed 18.0% Y.o.Y to RM3.14 bln, from RM3.70 bln registered a year ago. (The Edge Daily)
 - **Al-Aqar Healthcare REIT** is planning to acquire a new hospital – KPJ Batu Pahat Specialist Hospital for RM78.0 mln cash, to add to its list of properties under management. Its management company, Damansara REIT Managers Sdn Bhd announced that the trustee of the REIT AmanahRaya Trustees Bhd has entered into a conditional sales and purchase agreement with Johor Land Bhd, a wholly-owned subsidiary of Johor Corp, for the purpose of the acquisition. (The Edge Daily)

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