

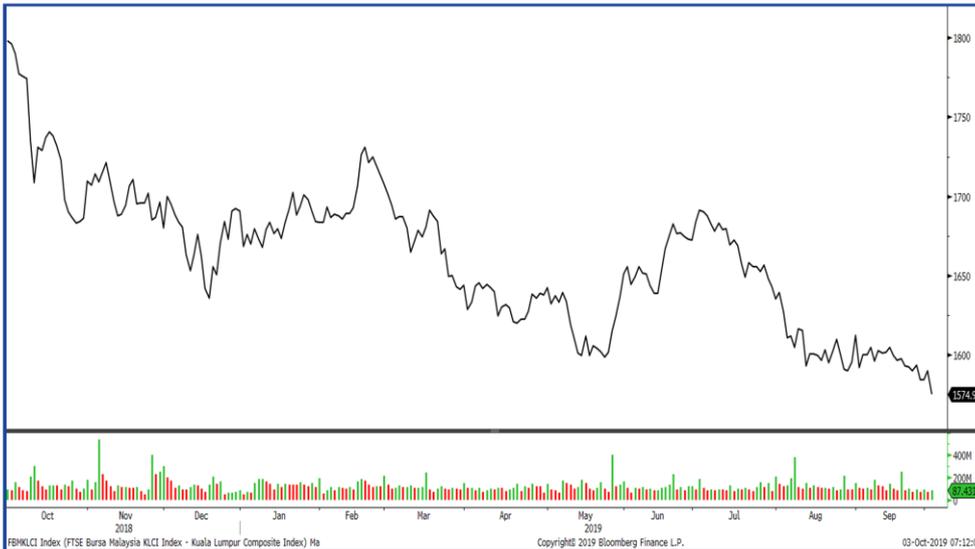
Market Pulse

Thursday, 03 Oct, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 2-Oct-19	Change %
FBM KLCI	1,574.90	-0.91
52-W High	1,799.80	
52-W Low	1,572.03	
FBM EMAS	11,149.93	-0.77
FBM 100	10,981.04	-0.78
FBM Fledgling	14,096.64	-0.41
FBM Small Cap	13,015.05	-0.47
FBM ACE	4,516.04	-0.35
FBM Shariah	11,719.38	-0.70
FBM MidS Cap	14,051.24	-0.38
FBM MidS (Shariah)	13,439.33	-0.27
Market Participation		
Trading Volume (mln)	1,853.3	3.2
Trading Value (RM mln)	1440.8	15.1
FKLI Spot Futures	1,573.00	-0.94
FKLI Forward Futures	1,573.50	-0.88

Sliding To Four Year Lows

- The FBM KLCI (-0.9%) took a beating yesterday, mirroring the negative sentiment across its regional peers after hovering in the negative territory for the entire trading session on Wednesday. The lower liners also finished mostly lower as the FBM Small Cap and FBM Fledgling shed 0.6% and 0.3% respectively, while the Technology (+0.6%), REIT (+0.5%) and Utilities (+0.6%) sectors outperformed the mostly negative broader market.
- Expectedly, market breadth turned negative as losers overpowered the winners on a ratio of 2-to-1 stocks. Traded volumes, however, gained 3.2% to 1.85 bln shares on the escalating selloff activities.
- Key decliners on the FBM KLCI were Public Bank (-30.0 sen), Hong Leong Bank (-26.0 sen), KLK (-26.0 sen), Nestle (-20.0 sen) and Hong Leong Financial Group (-16.0 sen). Consumer products giants like Fraser & Neave (-78.0 sen), Dutch Lady (-50.0 sen), BAT (-30.0 sen) and Carlsberg (-18.0 sen) declined on the broader market, while SAM Engineering & Equipment (-14.0 sen) finished at four-month low.
- Export-oriented companies like Vitrox (+25.0 sen), Unisem (+18.0 sen), Guan Chong (+17.0 sen) and Scientex (+9.0 sen) rose after the Ringgit weakened against the Greenback, while Syarikat Takaful added 16.0 sen. Prolexus jumped 11.0 sen after delivering a strong set of quarterly earnings. Meanwhile, Genting (+1.0 sen) was the sole winner on the local bourse.
- Japanese equities retreated as the Nikkei (-0.5%) erased most of its previous session gains, spooked by the renewed volatility on Wall Street overnight. The Hang Seng Index (-0.2%)

Dow Jones	26,078.62	-1.86
S&P 500	2,887.61	-1.79
NASDAQ	7,785.25	-1.56
FTSE 100	7,122.54	-3.23
DAX	11,925.25	-2.76
CAC 40	5,422.77	-3.12
FTSE STI	3,103.45	-1.35
Shanghai Composite	2,905.19	-0.92
Hang Seng Index	26,042.69	-0.19
Nikkei 225	21,778.61	-0.49

WTI Crude Oil (USD)	52.57	-0.13
Brent Spot (USD)	57.69	-2.04
Gold (USD)	1,499.84	0.03
CPO (RM)	2,141.00	-1.20

USD	4.19	-0.04
GBP	5.13	0.50
EURO	4.5732	-0.07
SGD	3.0263	-0.02
YEN	25.6700	0.66

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slipped on the rising social unrest, while the Shanghai Composite remain closed for the week-long public holiday. ASEAN stockmarkets, meanwhile, were painted in red yesterday.

- U.S. stockmarkets extended their rout on lingering concern over the sluggish manufacturing data as the Dow sank 1.9%. On the broader market, the S&P 500 dipped 1.8% to close below the 2,900 psychological level with all eleven major sectors in the red, while the Nasdaq finished 1.6% lower.
- Earlier, European markets – FTSE (-3.2%), CAC (-3.1%) and DAX (-2.8%) were all hammered lower. The weakness stemmed from Germany's move to lower their growth forecast to just 0.5% (from 0.8%) in 2019, coupled with concerns over the potentially upcoming "no-deal" Brexit that would hurt the European economy.

THE DAY AHEAD

- The malaise on Malaysian stocks looks set to continue over the near term as fresh concerns over the slowing global economy could further undermine market confidence. Already, the key index is tethering near its year-low that is also its lowest level in four years after yesterday afternoon's sell-down.
- With the selling likely to continue – much of it from foreign players on a flight to safety strategy, we see the key index continuing to reach lows not seen in more than four years as sentiments turn increasingly bearish. The weakness could also heighten the selling as more market players trim their positions that could also see the key index potentially moving to the supports at 1,563 and 1,557 levels as the near term outlook is frail. On the upside, the resistances are at 1,580 and

1,590 respectively.

- We also think the lower liners and broader market shares will succumb to further selling amid the weaker market sentiments. Thus far, the FBM Small Cap has been holding relatively well despite the recent selloff, but we think the increased selling pressure could see it breach its sideways trend.

COMPANY BRIEF

- Datuk Dr Mohd Abdul Karim Abdullah has made a takeover offer to buy the remaining shares in **Kumpulan Powernet Bhd** at RM1.00 each. Mohd Abdul Karim, **Serba Dinamik Holdings Bhd's** Group Managing Director and CEO and persons acting in concert, already own a 46.8% stake in KPBand they intend to maintain the listing status. (The Edge Daily)
- **Gamuda Bhd** is planning to buy a 50.0% equity stake in Martinus Rail Pty Ltd under a planned collaboration to bid for some A\$20.0 bln (RM56 bln) worth of construction projects in Australia. (The Edge Daily)
- **KNM Group Bhd** has clinched a further three contracts worth a total of US\$12.5 mln (or approximately RM52.2 mln), for the design, engineering and supply of pressure vessels, n top of two contracts disclosed yesterday for the RDMP RU-V Balikpapan Project in East Kalimantan of Indonesia. (The Star Online)
- **Kerjaya Prospek Group Bhd** was awarded a piling contract worth RM22.6 mln from Bintang Holdings Sdn Bhd; the fourth project awarded by the Low Yat Group of companies. (The Star Online)
- **Apex Equity Holdings Bhd** plans to seek the approval of its shareholders again on the proposed merger of its unit JF Apex

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Securities Bhd and Mercury Securities Sdn Bhd after the High Court invalidated the resolutions for the merger. (The Edge Daily)

- **Censof Holdings Bhd** has secured a three-year contract worth RM34.8 mln from the Inland Revenue Board of Malaysia to install licence renewal, software support and maintenance services for data warehouse systems at the board. (The Edge Daily)
- **Marine & General Bhd** (M&G) has landed a RM17.0 mln contract by Petronas Carigali Sdn Bhd for the provision of an anchor handling tug and supply vessel for the petroleum arrangement contractors' production operations. The project has started on 16th September 2019 and will be valid for 709 days, with an option to extend the contract for a one-plus-one-year term. (The Edge Daily)
- **Tenaga Nasional Bhd** (TNB) expects to make its maiden delivery of liquefied natural gas (LNG) trial cargo this month, which will result in a real cost saving in terms of delivered gas price. The group has inked an agreement with TNB and TNB Connaught Bridge Sdn Bhd for the delivery, which includes a total of 3.5 tln British thermal units of gas to TNB's Tuanku Jaafar Power Station in Port Dickson and TNB Connaught Bridge Power Station in Klang.
 - The gas from this LNG trial cargo is expected to be consumed fully by these two power plants within 14 days with a daily average quantity of 270,000 gigajoules. (The Star Online)
- **Dagang NeXchange Bhd** (DNeX) has obtained a contract extension worth RM57.0 mln from the Accountant General's Department for an information and communication technology maintenance project. The project includes the maintenance of hardware, software and network equipment of the integrated Government Financial and Management System (iGFMAS), an accrual accounting shared services implementation. (The Edge Daily)
- **Sarawak Cable Bhd** has proposed to raise up to RM7.3 mln through a private placement to fund its working capital needs. (The Edge Daily)
- Given the softening of crude palm oil prices in recent years, **Matang Bhd** plans to diversify its business to include durian plantation and related activities, which is expected to make up 25.0% or more of the group's net profits, moving forward. Currently, the group's revenue is mainly derived from the sale of fresh fruit bunches from its oil palm plantation activities. (The Edge Daily)
- Petroliam Nasional Bhd (Petronas) has awarded a 7,500 cubic meter liquefied natural gas (LNG) carrier time charter party to a joint-venture (JV) involving **MISC Bhd** and UK-based Avenir LNG Ltd.
 - Moving forward, Avenir and the JV will manage the commercial operations of the LNG carrier whereas ship management services will be provided by Eaglestar Shipmanagement (L) Pte Ltd, a wholly-owned subsidiary of MISC. (The Edge Daily)
- **Lotte Chemical Titan Holding Bhd's** shareholders has accepted the group's plan to sell its 49.0% equity stake in its Indonesian integrated petrochemical facility project to its parent Lotte Chemical Corp. The divestment will lead to the parent company emerging as joint venture partner to develop the LCI New Ethylene project (LINE project) in Cilegon, Indonesia. (The Star Online)

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