

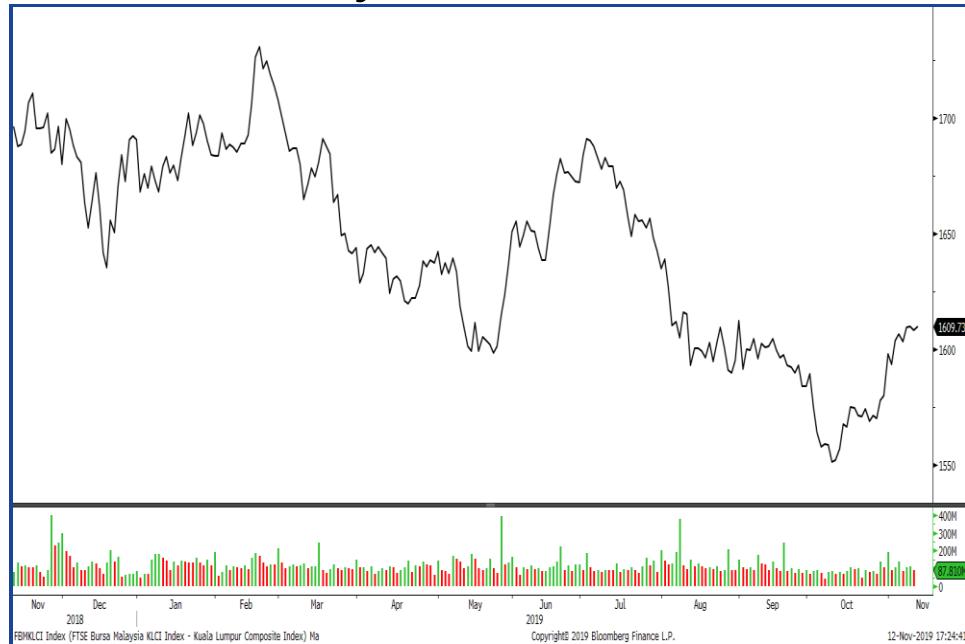
Market Pulse

Wednesday, 13 Nov, 2019

M⁺Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 12-Nov-19	Change %
FBM KLCI	1,609.73	0.10
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,401.00	0.10
FBM 100	11,213.62	0.08
FBM Fledgling	14,668.89	0.37
FBM Small Cap	13,692.29	0.52
FBM ACE	4,883.50	-0.02
FBM Shariah	11,939.75	0.46
FBM MidS Cap	14,910.52	0.56
FBM MidS (Shariah)	14,113.39	0.59
Market Participation		
Trading Volume (mln)	2,486.8	4.8
Trading Value (RM mln)	1821.5	11.4
FKLI Spot Futures	1,613.00	0.28
FKLI Forward Futures	1,614.00	0.25
Dow Jones	27,691.49	0.00
S&P 500	3,091.84	0.16
NASDAQ	8,486.09	0.26
FTSE 100	7,365.44	0.50
DAX	13,283.51	0.65
CAC 40	5,919.75	0.44
FTSE STI	3,267.80	0.84
Shanghai Composite	2,914.82	0.17
Hang Seng Index	27,065.28	0.52
Nikkei 225	23,520.01	0.81
WTI Crude Oil (USD)	56.69	-0.19
Brent Spot (USD)	62.06	-0.19
Gold (USD)	1,457.92	0.11
CPO (RM)	2,604.00	-0.88
USD	4.14	0.04
GBP	5.31	-0.07
EURO	4.5648	0.11
SGD	3.0428	0.03
YEN	26.3760	-0.28

Fresh Wariness, But Mild Gains May Persist

- The FBM KLCI closed higher after a volatile session, helped by strengthening CPO prices and upbeat Malaysian retail data. Like the key-index, the lower liners also advanced, with the exception of the FBM ACE index that slipped marginally, while plantation shares outperformed the broader market constituents on higher CPO prices.
- Market breadth was positive with 416 winning stocks against 397 losing stocks, albeit traded volumes fell 4.8% to 2.49 bln as the earnings season rolls on.
- Consumer products giant Nestle (+40.0 sen) were among the biggest winner on the Main Board, on the back of its positive 3QFY19 earnings growth. Other key-index gainers were Petronas Gas (+32.0 sen), Sime Darby Plantation (+17.0 sen), Kuala Lumpur Kepong (+16.0 sen) and Axiata (+11.0 sen).
- Broader market advancers, meanwhile include Cycle & Carriage Bintang (+38.0 sen) after its major shareholders offered to take the company private, followed by Magni-Tech Industries (+16.0 sen), Ayer Holdings (+15.0 sen) and BAT (+12.0 sen).
- In contrast, Fraser & Neave (-40.0 sen), Shangri-La Hotels (-22.0 sen), Vitrox (-20.0 sen), Malaysian Pacific Industries (-16.0 sen) and Bursa Malaysia (-9.0 sen) lagged behind other broader market constituents. Major decliners on the key index, meanwhile, were Hong Leong Bank (-24.0 sen), CIMB (-7.0 sen), Hartalega (-7.0 sen), Maybank (-6.0 sen) and Genting (-5.0 sen).
- Key regional markets advanced as investors continue to monitor global trade developments for signs of an initial U.S.-China trade deal. The Hang Seng pared some of its losses from the

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sharp selldown on Monday, while the Shanghai Composite gained 0.2%. Similarly, the Nikkei also added 0.8%, supported by gains in exporters, following the weakening Yen, alongside the majority of ASEAN shares.

- Main U.S. indices chalked out last-minute gains on Tuesday's close as the Dow finished a hair's breadth from its previous all-time high. The S&P 500 (+0.2%) and the Nasdaq (+0.3%) also finished near record highs, although sentiments were weighed down by the lack of clarity on the phase one of the U.S.-China trade deal.
- Major European stockmarkets erased previous session's losses, taking cue from the positive sentiment spilled over from Wall Street ahead of President Donald Trump's speech at the Economic Club of New York. The FTSE, the DAX and the CAC all finished stronger by 0.5%, 0.7% and 0.4% respectively.

THE DAY AHEAD

- True to form, the FBM KLCI maintained its mild uptrend yesterday after recovering from its bouts of intraday profit taking activities as there remains support on some of the index heavyweights to maintain above the 1,600 points level.
- However, Malaysian stocks may start to waver again after President Trump issued fresh tariff threats on China goods if a trade deal does not materialise, casting doubts over the ongoing trade negotiations. Still, we think that the continuing institutional support will keep the key index afloat for longer with bouts of intraday profit taking remaining a feature for now. On the upside, the resistances are at the 1,610 and 1,606 levels. Apart from the 1,600 support, the

other support is at the 1,590 level.

- The lower liners and broader market shares are staying mixed with the trend set to continue for now amid the continuing toppish technical indicators. Just like the heavyweights, we still think that there will be continuing intraday consolidation on many of the stocks as they also continue to adjust from overbought that will also see the choppy trend remaining for now.

COMPANY BRIEF

- **Nestle (Malaysia) Bhd**'s 3Q2019 net profit rose 8.2% Y.o.Y to RM149.0 mln as it focused on driving sustainable efficiencies and savings. Revenue for the quarter, however, fell 2.2% Y.o.Y to RM1.40 bln.
- For 9M2019, cumulative net profit added 1.1% Y.o.Y to RM164.2 mln. Revenue for the period improved marginally by 0.4% Y.o.Y to RM4.19 bln. An interim dividend of 70 sen a share was declared. (The Star Online)
- **Prestariang Bhd**'s independent auditors, Messrs. Crowe Malaysia PLT has included a statement of material uncertainty related to going concern in its independent auditors' report. The opinion was based on the termination of Sistem Kawalan Imigresen Nasional (SKIN) project by the government. The group filed a legal suit against the government to recover the sums due under the SKIN project. (The Star Online)
- **Tenaga Nasional Bhd** (TNB) has failed in its final bid to appeal a court decision that found the company liable for causing flash floods in Bertam Valley in the Cameron Highlands six years ago. The utility giant is now required to pay damages to the 100 residents who had

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filed a negligence suit over the loss of four lives and the destruction of property due to the floods. The amount will be assessed by the court later. (The Edge Daily)

- **IHH Healthcare Bhd's** 31.1%-owned associate, Fortis Healthcare Ltd has made requisite interventions before India's Supreme Court as soon as the court passed the stay order on IHH's open offer to buy an additional 26.0% stake in Fortis.
- Fortis has made extensive arguments before the Supreme Court of India, highlighting the impact of the stay order on the public shareholders of the company, as well as on Fortis itself. Fortis' statement was in response to Fortis' minority shareholders' demand that Fortis and IHH make efforts to vacate the Supreme Court stay order. (The Edge Daily)
- **Sime Darby Bhd** is looking at trimming its non-core assets, even though it is not in a hurry to do so, as part of its five-year plan to create value for the group two years after its demerger exercise.
- Its non-core assets include a 12.0% stake in **Eastern & Oriental Bhd**, 3,561.2-ha of land in the Malaysia Vision Valley in Negeri Sembilan and a 30.0% stake in Tesco Malaysia. (The Edge Daily)
- **London Biscuits Bhd** has again defaulted on principal payments to RHB Bank that amounted to RM22.5 mln. The confectionery manufacturer has reported that the default, dated 2nd October 2019, was due to cash flow constraint. (The Edge Daily)
- **UEM Sunrise Bhd** is disposing of a property in Melbourne for A\$107.1 mln (RM304.1 mln) to Acme Co. No 4 Pty Ltd. The disposal is expected to be completed by the end of the year and give rise to an estimated net gain on disposal of RM54.3 mln (A\$19.1 mln). (The Edge Daily)
- **MUI Properties Bhd** wholly-owned investment firm, Cesuco Trading Ltd will be converting an A\$1.5 mln secured convertible note in an Australian gold exploration company into ordinary shares. This will result in Cesuco holding 40.7% of the enlarged share capital of Nex Metals Explorations Ltd, a Perth-based company that is listed on the Australian Securities Exchange. (The Edge Daily)
- **Damansara Realty Bhd's** 3Q2019 net profit jumped 105.9% Y.o.Y to RM3.9 mln, mainly due to the contribution from the property and land development segment driven by its joint venture development in Central Park, Johor Bahru, with Country Garden Management Sdn Bhd. Revenue for the quarter, however, fell 13.7% Y.o.Y to RM65.9 mln.
- For 9M2019, cumulative net profit surged 183.8% Y.o.Y to RM9.3 mln. Revenue for the period, however, declined 7.1% Y.o.Y to RM206.1 mln. (The Edge Daily)

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