

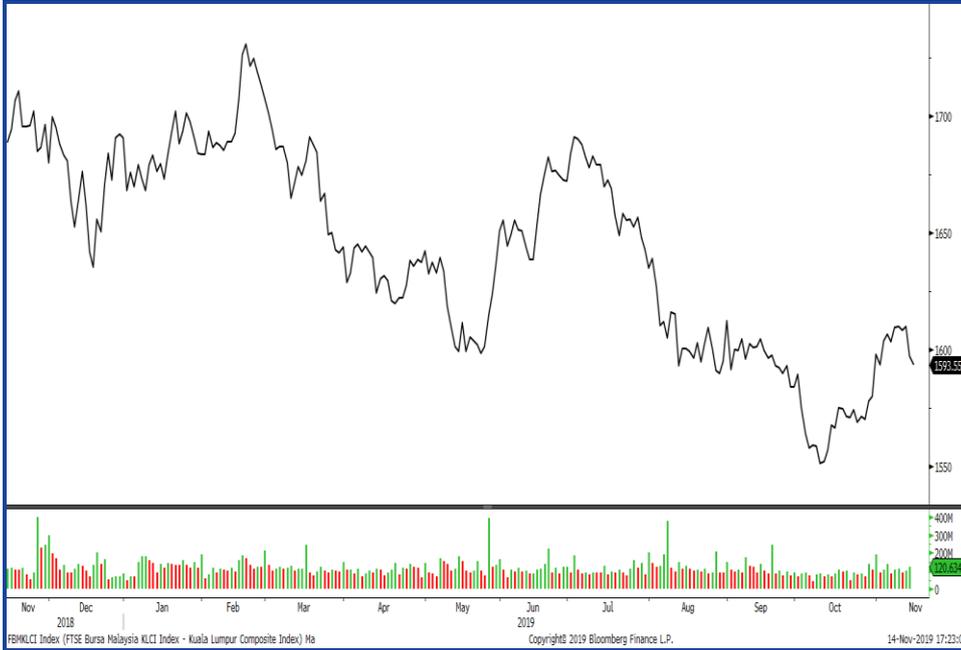
Market Pulse

Friday, 15 Nov, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 14-Nov-19	Change %
FBM KLCI	1,593.55	-0.23
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,311.72	-0.18
FBM 100	11,123.38	-0.21
FBM Fledgling	14,622.34	-0.13
FBM Small Cap	13,648.32	0.32
FBM ACE	4,898.09	0.86
FBM Shariah	11,833.81	-0.40
FBM MidS Cap	14,853.44	0.10
FBM MidS (Shariah)	14,063.28	0.16
Market Participation		
Trading Volume (mln)	2,204.4	2.9
Trading Value (RM mln)	1676.0	-3.4
FKLI Spot Futures	1,595.50	0.13
FKLI Forward Futures	1,597.00	0.09

Consolidation To Continue

- The FBM KLCI lost 0.2% after lingering mostly in the negative territory, albeit slightly cushioned by gains in Genting-related stocks. The lower liners were mostly higher as the FBM Small Cap (+0.3%), and the FBM Ace (+0.9%) delivered gains, while the Construction (+1.1%) sector outperformed the broader market constituents.
- Market breadth was still negative as decliners exceeded the advancers, although traded volumes grew by 2.9% to 2.2 bln amid easing selling bias in the lower liners.
- Significant key-index losers include Nestle (-60.0 sen), Petronas Gas (-32.0 sen), Tenaga Nasional (-18.0 sen), IHH Healthcare (-15.0 sen) and Petronas Dagangan (-14.0 sen). Meanwhile, BAT (-38.0 sen) took the worst beating compared to the other broader market stocks, followed by Malaysian Pacific Industries (-26.0 sen), Hong Leong Industries (-20.0 sen), UWC (-20.0 sen) and Fraser & Neave (-18.0 sen).
- In contrast, Dutch Lady (+46.0 sen), Heineken Malaysia (+34.0 sen), Bintulu Port (+25.0 sen), Jaks Resources (+20.0 sen) and RCE Capital (+11.0 sen) closed higher. Leading the heavyweights' gainers were Kuala Lumpur Kepong (+32.0 sen), Genting (+9.0 sen), Genting Malaysia (+7.0 sen), Malaysia Airports (+6.0 sen) and Press Metal (+6.0 sen).
- Key regional indices were mostly subdued following a series of downbeat economic data and uncertainties surrounding the ongoing U.S.-China trade war. The Shanghai Composite (+0.2%) eked out gains despite weaker-than-expected production data, helped by gains in information technology and healthcare-related stocks. The Hang Seng index (-0.9%), however, remained

Dow Jones	27,781.96	-0.01
S&P 500	3,096.63	0.08
NASDAQ	8,479.02	-0.04
FTSE 100	7,292.76	-0.80
DAX	13,180.23	-0.38
CAC 40	5,901.08	-0.10
FTSE STI	3,231.85	-0.23
Shanghai Composite	2,909.87	0.16
Hang Seng Index	26,323.69	-0.93
Nikkei 225	23,141.55	-0.76
WTI Crude Oil (USD)	56.89	0.21
Brent Spot (USD)	62.28	-0.14
Gold (USD)	1,469.74	-0.11
CPO (RM)	2,606.00	0.77
USD	4.16	-0.06
GBP	5.34	-0.14
EURO	4.5761	-0.10
SGD	3.0504	-0.05
YEN	26.1380	0.54

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southbound, alongside the Nikkei (-0.8%) amid a stronger Yen, while most ASEAN stockmarkets retreated.

- Most U.S. equities pulled back after hitting record highs on Thursday, weighed down by losses in Cisco after the networking giant's earnings missed analysts' expectations. The Dow and the Nasdaq hovered below the breakeven level, although the S&P 500 (+0.1%) clawed back earlier losses and closed marginally in the positive zone.
- Key European benchmark indices - FTSE (-0.8%), the DAX (-0.4%) and the CAC (-0.1%) remained downward pressured, weighed down by the weak economic data from German and China, renewing concerns of slowing global growth amid unabated U.S.-China trade war.

THE DAY AHEAD

- The FBM KLCI appears to be in a consolidation mode from its overbought conditions after yesterday's pullback that looks to continue to the end of the week. As it is, market conditions are still looking toppish and with the market turning into a wait-and-see mode, the weaker conditions could extend, in our view.
- There remains wariness over the U.S.-China trade negotiations with few new developments announced of late, while the still weakening economic data from China and Japan is also leaving market players with fewer catalysts. Back home, market players are scrutinising the spate of corporate results released thus far for clues on the direction of their future earnings potential. With the downside likely to continue, the supports are now pegged at the 1,590 and 1,586 levels. The resistance, meanwhile, are at 1,600 and 1,610 respectively.

- The broader market and lower liners have been largely on a sideways-to-weaker trend and is likely to remain so over the near term with the odds of further pullback still rising due to the overbought conditions. Market participation has also thinned of late as market players look for new leads amid the still toppish conditions.

COMPANY UPDATE

- **Econpile Holdings Bhd** has received a Letter of Award dated from WCT OUG Development Sdn Bhd to undertake piling works, sub-structure works, basement works and earthing system for the property development project at Jalan Awan Besar, Kuala Lumpur which comprises three residential blocks of 31 storeys, 33 storeys and 43 storeys respectively with recreational facilities for a contract sum of RM26.1 mln. The overall duration of the contract is approximately eleven months.

Comments

- This marks the third major contract secured by Econpile in FY20, bumping its YTD orderbook replenishment to RM90.1 mln. Consequently, Econpile's orderbook replenishment makes up to 16.4% of our orderbook replenishment assumption of RM550.0 mln for FY20. Moving forward, Econpile's unbilled orderbook of approximately RM850.0 mln will provide earnings visibility over the next two years.
- As the orderbook replenishment falls within our assumption, we made no changes to our earnings forecast. Consequently, we maintain our **HOLD** recommendation on Econpile with an unchanged target price at RM0.79. Our target price is derived by ascribing a

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target PER of 13.0x to its FY20 EPS of 6.1 sen.

COMPANY BRIEF

- **T7 Global Bhd** has received an umbrella contract from Vestigo Petroleum Sdn Bhd for the provision of integrated well services for well intervention, workover and abandonment. The contract value shall be determined on a per work order request basis, at the full discretion of Vestigo. The duration of the contract is from 10th October 2019, to 19th September 2024. (The Star Online)
- **GDB Holdings Bhd** has secured a RM20.7 mln contract from **Hua Yang Bhd** to carry out the piling and substructure for the latter's serviced apartments project in Puchong.
- The contract entails bored piling and pile caps for two blocks of serviced and a common facilities podium as well as a six-storey car park. The overall duration of the contract is for 21 months from the date of possession of site on 18th November 2019. (The Star Online)
- The majority of **Genting Malaysia Bhd**'s loss-making Empire Resorts Inc stockholders have approved the proposed merger with the joint-venture company of GentingM and Kien Huat Realty III Ltd (KH). As part of the proposed merger and in accordance with the merger agreement, qualified shareholders of Empire will be entitled to receive a cash of US\$9.74 (RM40.45) for each share of common stock in Empire held.
- Empire Resorts owns Catskills Casino in Upstate New York. It had further proposed a JV between Genting Malaysia and KH to gain full control of Empire Resorts. The JV was to resolve Empire Resorts' current liquidity issue via privatisation and restructuring efforts. Empire Resorts' earlier filing with the US Securities and Exchange Commission said that if it cannot secure financing to bail it out, it may have to go the bankruptcy route. (The Edge Daily)
- **British American Tobacco (Malaysia) Bhd** has hit out at the Ministry of Health (MoH) for carrying out selective prosecution of a legitimate tobacco company selling legal non-cigarette products while turning a blind eye to cheap illegal contraband. This comes as the MoH overturned its approval granted on 12th July 2018 for BAT to sell its mini-cigar – the Dunhill HTL-Cigarillo as a non-cigarette tobacco product. (The Edge Daily)
- **Gas Malaysia Bhd**'s 3Q2019 profit grew 12.2% Y.o.Y to RM46.5 mln, thanks to higher volume of natural gas sold and higher natural gas tariff. Revenue for the quarter increased 12.8% Y.o.Y to RM1.76 bln.
- For 9M2019, cumulative net profit rose 7.2% Y.o.Y to RM138.8 mln. Revenue for the period gained 15.9% Y.o.Y to RM5.21 bln. (The Edge Daily)
- **Formosa Prosonic Industries Bhd**'s 3Q2019 net profit fell 4.6% Y.o.Y to RM15.9 mln, weighed down by higher operating costs. Revenue for the quarter, however, rose 35.7% Y.o.Y to RM260.6 mln.
- For 9M2019, cumulative net profit climbed 7.8% Y.o.Y to RM32.7 mln. Revenue for the period added 43.6% Y.o.Y to RM590.9 mln. (The Edge Daily)
- **Axiata Group Bhd**'s integrated digital advertising unit, analytics data advertising (ADA), is looking to invest RM120.0 mln over the next three years to expand its operations, in which the

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money would be used to aggregate more data as well as develop machine learning models. (The Edge Daily)

- **Goodway Integrated Industries Bhd**'s Chief Executive Officer, Tai Boon Wee has ceased a substantial shareholder of the company after disposing of 25.5 mln shares or a 21.0% stake in the cross-market deal. Now, he owns only an indirect 85,000 shares or a 0.07% stake in Goodway. (The Edge Daily)
- **Kumpulan Powernet Bhd**'s substantial shareholder, Datuk Dr Mohd Abdul Karim Abdullah owned 40.7 mln shares, or a 53.4% stake in the group at the close of his takeover offer. This was up from 36.5 on 2nd October 2019. Abdul Karim intends to maintain the listing status of Kumpulan Powernet on the Main Market of Bursa Malaysia. (The Edge Daily)
- **HeiTech Padu Bhd** will be teaming up with Indonesian company, PT Kirana Investama Nusantara (PT KIN) to set up a joint venture company in Indonesia to explore business opportunities there, which encompasses the development and deployment of a Shariah Compliance Cooperative System - Baitulmal Wat Tamwil (BMT).
- **Hong Leong Bank Bhd** (HLB), via its subsidiary Hong Leong Bank Vietnam (HLB Vietnam), has launched its mobile banking platform, HLB Connect, in Vietnam, which enables customers to enjoy fee-free financial services and shop for e-vouchers in a single platform. (The Edge Daily)

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