

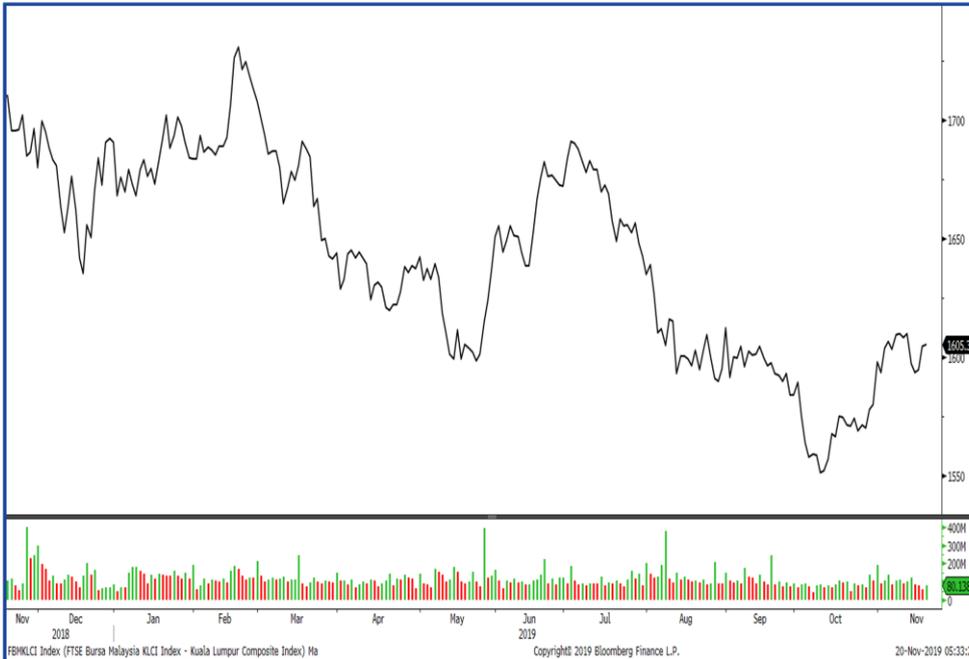
Market Pulse

Wednesday, 20 Nov, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

| | Close 19-Nov-19 | Change % |
|------------------------|--------------------|-------------|
| FBM KLCI | 1,605.31 | 0.06 |
| 52-W High | 1,732.27 | |
| 52-W Low | 1,548.45 | |
| FBM EMAS | 11,369.25 | -0.01 |
| FBM 100 | 11,180.03 | -0.02 |
| FBM Fledgling | 14,756.67 | 0.35 |
| FBM Small Cap | 13,716.00 | 0.18 |
| FBM ACE | 4,951.27 | 0.28 |
| FBM Shariah | 11,895.73 | -0.11 |
| FBM MidS Cap | 14,981.08 | 0.11 |
| FBM MidS (Shariah) | 14,135.61 | 0.04 |
| Market Participation | | |
| Trading Volume (mln) | 2,681.2 | 14.3 |
| Trading Value (RM mln) | 1631.8 | 14.8 |
| FKLI Spot Futures | 1,606.50 | 0.19 |
| FKLI Forward Futures | 1,607.00 | 0.16 |

Sideway Trend Looks To Continue

- The FBM KLCI (+0.1%) recovered all its intraday losses to close slightly higher, boosted by quick bargain hunting activities in selected index heavyweights yesterday. The lower liners – the FBM Small Cap (+0.3%), FBM Fledgling (+0.2%) and FBM ACE (+0.3%) all extended their gains, while the telecommunications & media (-0.7%) and REIT (-0.2%) sector underperformed the positive broader market.
- Market breadth was indifferent as decliners nudged advancers on a ratio of 411-to-408 stocks, while 416 stocks traded unchanged. Traded volumes gained 14.3% to 2.68 bln shares as trading interest were centered towards the lower liners.
- Anchoring the FBM KLCI winners list were Hong Leong Bank (+20.0 sen), Public Bank (+12.0 sen), Nestle (+10.0 sen), Tenaga (+6.0 sen) and MISC (+5.0 sen). Notable advancers on the broader market include G3 Global (+29.0 sen), KESM Industries (+20.0 sen), MI Technovation (+18.0 sen), Petra Energy (+14.0 sen) and Pharmaniaga (+13.0 sen).
- In contrast, BLD Plantations (-30.0 sen), Aeon Credit (-18.0 sen), Carlsberg (-18.0 sen), Syarikat Takaful (-12.0 sen) and United Plantations (-12.0 sen) were the broader market biggest decliners. Meanwhile, Hong Leong Financial Group (-32.0 sen), IHH (-11.0 sen), DIGI (-10.0 sen), PBB Group (-10.0 sen) and Petronas Danganan (-8.0 sen) slipped on the FBM KLCI.
- Asia's benchmark indices finished mostly higher as the Shanghai Composite gained 0.9%, while the Hang Seng Index (+1.6%) remained on track

| | | |
|--------------------|-----------|-------|
| Dow Jones | 27,934.02 | -0.36 |
| S&P 500 | 3,120.18 | -0.06 |
| NASDAQ | 8,570.66 | 0.24 |
| FTSE 100 | 7,323.80 | 0.22 |
| DAX | 13,221.12 | 0.11 |
| CAC 40 | 5,909.05 | -0.35 |
| FTSE STI | 3,238.87 | -0.61 |
| Shanghai Composite | 2,933.99 | 0.85 |
| Hang Seng Index | 27,093.80 | 1.55 |
| Nikkei 225 | 23,292.65 | -0.53 |

| | | |
|---------------------|----------|-------|
| WTI Crude Oil (USD) | 55.16 | -0.09 |
| Brent Spot (USD) | 60.91 | -2.45 |
| Gold (USD) | 1,474.42 | 0.13 |
| CPO (RM) | 2,622.00 | 0.96 |

| | | |
|------|---------|-------|
| USD | 4.16 | -0.02 |
| GBP | 5.39 | -0.08 |
| EURO | 4.6029 | -0.19 |
| SGD | 3.0555 | -0.06 |
| YEN | 26.1540 | 0.29 |

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for a sharp rebound from previous week's slump. The Nikkei, however, fell 0.5% after the Japanese Yen advanced against the Greenback, while ASEAN stockmarkets closed mixed on Tuesday.

- U.S. stockmarkets ended mostly lower as the Dow fell 0.4% after U.S. President Donald Trump threatened to raise tariffs should there be no trade agreement with China. On the broader market, the S&P 500 declined 0.1%, owing to the weakness in the energy sector (-1.5%), but the Nasdaq gained 0.2%.
- Major European equities closed mostly higher as the FTSE and DAX added 0.2% and 0.1% as the latter was boosted by automotive stocks after data reports on passenger car registrations in Europe rose to their highest since 2009. The CAC, however, fell 0.4%.

THE DAY AHEAD

- Yesterday's intraday consolidation and the subsequent recovery, while surprising, masked the underlying indifference in the market where there are still few impetuses for market players to follow. We also see the key index holding steady over the near term as the base building process for a possible year-end window dressing is still ongoing.
- With the mild uptrend restored, we think the base building process is likely to persist over the near term with the key index likely to linger around the 1,600 to 1,610 levels over the near term. We do not anticipate large market moves due to the lack of leads with the ongoing results reporting to provide some of the near term leads for the market.
- As it is, there are also still few developments in the U.S-China trade negotiations with conflicting news on the

issue to place market players on a guarded mode for longer, in our opinion. Apart from the above levels, the other support and resistance levels are at 1,590 and 1,620 respectively.

- The lower liners and broader market shares are also on a holding pattern after their recent gains and the trend looks to continue for now. Many market players are still staying on the sidelines awaiting for a new market direction to emerge as the present market environment is still devoid of new leads.

COMPANY BRIEF

- **IHH Healthcare Bhd** has clarified that its 31.1%-owned associate Fortis Healthcare Ltd, does not intend to sell its 56.0%-owned diagnostic arm, SRL Ltd. This comes following speculations that Fortis is looking to sell its shares in SRL. (The Edge Daily)
- **Dagang NeXChange Bhd's** (DNeX) 60.0%-owned Innovation Associates Consulting Sdn Bhd (IAC) was awarded a three-year contract for RM42.8 mln to re-engineer the Inland Revenue Board's tax self-assessment system. Under the contract, IAC will be responsible for software and support services for the development of the application, as well as software maintenance. (The Star Online)
- **Berjaya Sports Toto Bhd (BToto)** posted a 1QFY20 net profit of RM67.0 mln, while revenue came in at RM1.44 bln. There were no comparative figures following the group's change in its financial year end. BToto also declared a first interim dividend of four sen per share, payable on 9th January 2020. (The Edge Daily)
- **Magnum Bhd** made a turnaround with a 3Q2019 net profit of RM48.0 mln compared with a net loss of RM70.5 mln

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- last year, mainly due to improvements in its investment holding and others division that was hit with a RM44.2 mln tax penalty in 3Q2018. Revenue, however, inched lower by 2.2% Y.o.Y to RM652.1 mln, from RM667.1 mln previously. Subsequently, the group has declared a third interim dividend of four sen per share, bringing its total dividend declared year-to-date to 13.0 sen, from 11.0 sen a share in 2018. (The Star Online)
- **Petronas Gas Bhd's** (PetGas) 3Q2019 net profit decreased 13.6% Y.o.Y to RM431.6 mln, from RM499.8 in the previous corresponding quarter, weighed down by lower gross profit and higher finance costs. Revenue for the quarter also fell 4.5% Y.o.Y to RM1.34 bln, from RM1.40 bln in the previous year. Even so, the group has declared a third interim dividend of 18.0 sen per share, bringing total dividend declared YTD to 50.0 sen. (The Edge Daily)
 - **Kuala Lumpur Kepong Bhd's** (KLK) 4QFY19 net profit jumped 37.0% Y.o.Y to RM175.0 mln in comparison to RM128.0 mln in the same quarter in FY18, supported by stronger contribution from its manufacturing division, albeit capped by weaker performance from the plantation and property development segments. Revenue, however, shrank 9.0% Y.o.Y to RM3.8 bln, from RM4.19 bln in 4QFY18.
 - On a full-year basis, KLK's net profit grew marginally to RM617.5 mln (+1.0% Y.o.Y), from RM609.4 mln, despite a 16.0% Y.o.Y fall in revenue to RM15.53 bln, from RM18.38 bln in FY18. (The Star Online)
 - **Batu Kawan Bhd** posted a 25.0% Y.o.Y increase in its 4QFY19 net profit to RM96.7 mln, from RM77.3 mln a year ago, lifted by its manufacturing segment, higher other operating income, better share of results from associates, and lower income tax expenses. Quarterly revenue, however, was weaker at RM3.92 bln (-9.3% Y.o.Y), from RM4.32 bln a year ago.
 - Net profit for the full year, however, came in little changed at RM363.5 mln, from RM365.7 mln in FY18, while revenue fell 15.0% Y.o.Y to RM16.05 bln, from RM18.95 bln earlier. (The Edge Daily)
 - **Omesti Bhd's** 51.0%-owned unit has secured a contract worth RM71.5 mln to rent computer equipment to the Inland Revenue Board of Malaysia (IRB). The contract is subject to a formal contract agreement to be entered with IRB in not more than four months from the letter of award acceptance date on 18th November 2019. (The Edge Daily)
 - **Sunway Construction Group Bhd's** (SunCon) net profit weakened 8.0% Y.o.Y to RM33.5 mln, from RM36.4 mln previously, weighed down by lower revenue that fell 28.0% Y.o.Y to RM402.6 mln, from RM557.3 mln earlier.
 - Similarly, cumulative 9M2019 net profit also narrowed by 9.0% Y.o.Y to RM97.7 mln, from RM107.9 mln last year, while revenue shrank 21.0% Y.o.Y to RM1.28 bln, from RM1.63 bln in the last corresponding year. (The Star Online)

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