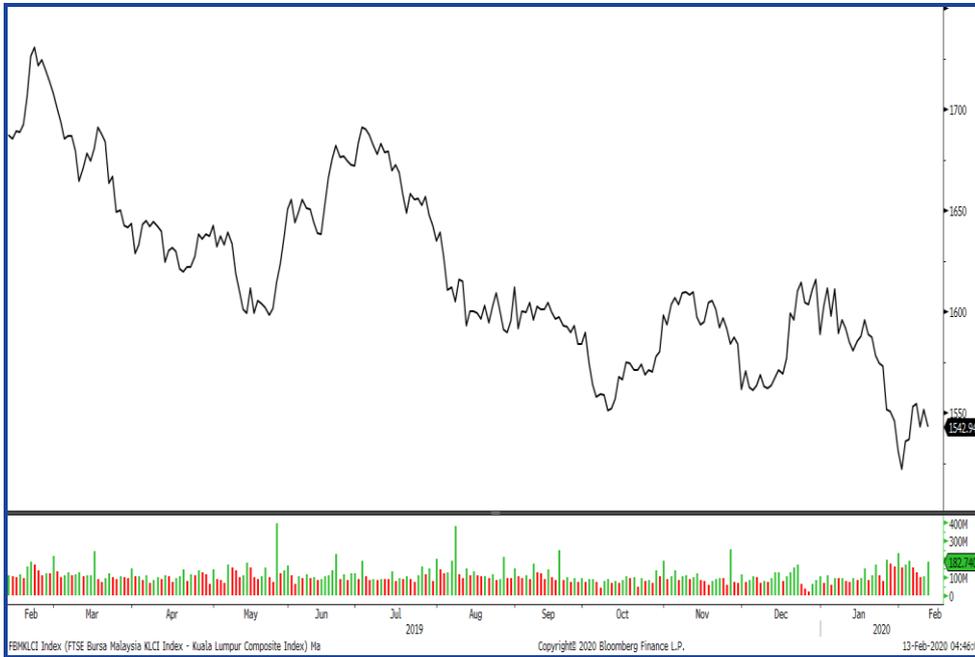


Market Pulse

Thursday, 13 Feb, 2020

FBM KLCI – Daily



Market Scorecard

	Close 12-Feb-20	Change %
FBM KLCI	1,542.94	-0.55
52-W High	1,732.27	
52-W Low	1,517.61	
FBM EMAS	11,010.84	-0.25
FBM 100	10,806.79	-0.29
FBM Fledgling	14,826.88	-0.29
FBM Small Cap	13,794.82	0.56
FBM ACE	5,629.46	1.52
FBM Shariah	11,791.19	0.33
FBM MidS Cap	15,128.28	0.30
FBM MidS (Shariah)	14,443.19	0.35
Market Participation		
Trading Volume (mln)	2,814.31	1.69
Trading Value (RM mln)	2,776.46	22.86
FKLI Spot Futures	1,548.50	-0.64
FKLI Forward Futures	1,541.00	-0.61

Downbeat On Poor Economic Performance

- Banking giants were main culprit on the weakness on the FBM KLCI (-0.6%) as the key index reversed all its' previous session gains due to the weak 4Q2019 GDP data that expanded only 3.6% Y.o.Y, bringing 2019 GDP to expand 4.3% Y.o.Y - the slowest since 2009. The lower liners, however, finished mostly higher as FBM Small Cap and FBM Ace added 0.6% and 1.5% respectively, while the broader market closed mixed.
- Market breadth stayed positive as advancers nudged the decliners on a ratio of 419-to-405 stocks. Traded volumes gained 1.7% to 2.81 bln shares on rotational play amongst the lower liners.
- Banking giants like Hong Leong Bank (-70.0 sen), Public Bank (-52.0 sen), Hong Leong Financial Group (-22.0 sen) and CIMB (-13.0 sen) fell, while Petronas

Dagangan slipped 16.0 sen on the FBM KLCI. Notable decliners on the broader market include Chin Teck Plantations (-358.0 sen), Aeon Credit (-30.0 sen), Carlsberg (-28.0 sen), BIMB (-15.0 sen) and Sealink International (-14.5 sen).

- In contrast, Fraser & Neave (+40.0 sen), Kumpulan Powernet (+35.0 sen), Scientex (+29.0 sen), Greatech (+24.0 sen) and Suria Capital (+17.5 sen) topped the broader market advancers list. Key winners on the FBM KLCI were Malaysia Airport Holdings (+28.0 sen), Maxis (+18.0 sen), Top Glove (+13.0 sen), Hartalega (+12.0 sen) and Petronas IHH (+4.0 sen).
- Asia benchmark indices extended their gains as new cases of coronavirus dwindled. The Nikkei added 0.7% after resume trading from the mid-week break following the weakness in

Dow Jones	29,551.42	0.94
S&P 500	3,379.45	0.65
NASDAQ	9,725.96	0.90
FTSE 100	7,534.37	0.47
DAX	13,749.78	0.89
CAC 40	6,104.73	0.83
FTSE STI	3,223.37	1.51
Shanghai Composite	2,926.90	0.87
Hang Seng Index	27,823.66	0.87
Nikkei 225	23,861.21	0.74
WTI Crude Oil (USD)	51.69	3.50
Brent Spot (USD)	56.32	4.28
Gold (USD)	1,563.84	-0.14
CPO (RM)	2,709.00	0.52
USD	4.1368	-0.08
GBP	5.3637	-0.51
EURO	4.5182	-0.12
SGD	2.9860	-0.18
YEN	26.6180	-0.19

Disclaimer

This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

Japanese Yen against the Greenback. Both the Hang Seng Index and Shanghai Composite rose 0.9% each, while ASEAN stockmarkets continue to build onto their previous session gains.

- Wall Street notched record high levels as the Dow jumped 0.9% as number of new cases from the coronavirus outbreak diminished. On the broader market, the S&P 500 gained 0.7% with ten of the eleven major sectors advancing, led by the energy sector (+1.4%), while the Nasdaq finished 0.9% higher.
- Major European indices – the FTSE (+0.5%), CAC (+0.8%) and DAX (+0.9%), all extended their gains, mirroring the positive performance across Asia equities. Gains were also underpinned by the weaker Euro Currency that fell against the Greenback to the lowest level since March 2017.

THE DAY AHEAD

- Bursa equities underperformed its regional peers on the back of weakness in selected banking heavyweights on expectations over another round of interest rate cut to combat the sluggish economic data. Market sentiment turned downbeat following the release of the weaker-than-expected 4Q2019 GDP data yesterday. The weakness in economic performance may lead to foreign funds continue to shy away from Malaysian equities over the foreseeable future.
- We see the weakness remain intact for now as future economic performance at the start of the year to remain bleak, potentially due to the coronavirus outbreak. We reckon that the local bourse may experience further pullback towards the 1,535 level and firmer support will be located towards the 1,515 level. In the meantime, any upsides are capped

towards the 1,560 resistance level.

- The sluggish momentum also permeates to the lower liners and broader market shares on signs of quick profit taking activities on the table. Recent batch of corporate earnings that were relatively mixed also did not help to provide any support to the current market condition.

COMPANY BRIEF

- Stockbroking baron Datuk Tony Tiah is injecting fresh capital into **TA Enterprise Bhd** to fund the privatisation of his flagship company's listed property arm **TA Global Bhd**, which is said to be the biggest landlord around the KLCC Twin Towers.
- TA Enterprise is making a conditional voluntary offer to buy out 2.12 bln shares, which is equivalent to a 39.8% equity stake in TA Global it does not already own. TA Enterprise currently owns a 60.2% stake.
- The stockbroking group is offering two options, namely cash offer or a share swap, for TA Global's minority shareholders. TA Global shareholders may choose from either a cash offer of 28.0 sen per existing share held, or a share swap based on an exchange ratio of 0.4211 new ordinary share in TAE to be issued at 66.5 sen each for every TA Global share surrendered.
- Subsequently, the group does not intend to maintain TA Global's listing status on Bursa Malaysia. (The Star Online)
- **Genting Plantations Bhd** (GENP) and Elevance Renewable Sciences Singapore Pte Ltd (ERS Singapore) have both agreed to abort a share sale and purchase agreement (SPA) signed in July 2014.

Disclaimer

This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

- The termination will see ERS Singapore transferring to GENP its entire 25.0% equity stake in Genting Integrated Biorefinery Sdn Bhd (GIB) for RM72.0 mln cash.
- GENP will pay ERS Singapore a net amount of RM64.0 mln after setting off RM8.0 mln owing by ERS Singapore for the initial share sale under the share SPA.
- Concurrently, other existing agreements between the group and ERS Singapore and its parent US-based Elevance Renewable Sciences Inc will also be unwound, amended or terminated. (The Star Online)
- **Tiger Synergy Bhd** is planning to raise up to RM29.5 mln via a rights issue with free warrants to fund its working capital and pare its debts.
- Concurrently, the group is proposing to raise up to RM50.5 mln in a private placement to finance its on-going property development projects and for working capital.
- The rights issue exercise includes the issuance of up to 738.4 mln rights shares together with up to 738.4 mln free warrants (Warrants-D). The cash call will be on the basis of one rights share-for-every two existing shares as well as one Warrant-D-for-every one rights share subscribed, at an entitlement date to be determined later. The proposals are expected to be completed by 2H2020. (The Edge Daily)
- **Kelington Group Bhd** has been awarded RM64.0 mln worth of contracts from the China's largest semiconductor foundry company.
- Contract works includes base build and gas hook up works at a few locations in Beijing and Tianjin.
- The two-year contracts have started on 6th January, 2020. (The Edge Daily)
- **Malaysia Marine and Heavy Engineering Bhd** (MHB) made a turnaround with a 4Q2019 net profit of RM9.3 mln, from a net loss of RM25.2 mln last year, marking its first profitable quarter since end-2017. The improved profitability was mainly due to higher revenue from its marine segment and tax refunds of RM6.5 mln in the quarter under review.
- Quarterly revenue also rose marginally by 0.9% Y.o.Y to RM275.6 mln, from RM273.2 mln in the last corresponding year.
- For the full-year, 2019 net loss narrowed to RM34.2 mln, from RM122.7 mln a year ago, on the back of the better quarterly performance, while revenue rose 3.6% Y.o.Y to RM1.01 bln, from RM974.4 mln previously. (The Edge Daily)
- **CJ Century Logistics Holdings Bhd** is planning to buy CJ Korea Express Malaysia Sdn Bhd from CJ Century's Singapore-based substantial shareholder, CJ Logistics Asia Pte Ltd, for RM100.0 mln to expand its logistics business.
- The acquisition costs for the related party transaction will be satisfied via the issuance of 200.0 mln new CJ Century shares to CJ Asia at 50.0 sen per share. (The Star Online)

Disclaimer

This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.