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Research Highlights

BURSA	4-Jul	Day chg	% chg
KLCI	1,687.5	-2.57	-0.15%
FTSE EMAS	11,938.9	3.9	0.03%
FTSE Smallcap	13,439.0	115.09	0.86%
FTSE MESDAQ	4,623.1	39.4	0.86%
KLSE Mkt Cap (RM'b)	1,700.6	1.3	0.07%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	34.25	52.06
Local Retail	-16.87	27.10
Foreign	-17.38	20.84

INDICES	4-Jul	Day chg	% chg
Dow Jones	N.A.	N.A.	N.A.
S&P 500	N.A.	N.A.	N.A.
NASDAQ	N.A.	N.A.	N.A.
FTSE-100	7,603.6	-5.7	-0.08%
Nikkei 225	21,702.5	64.3	0.30%
SHCOMP	3,005.2	-10.0	-0.33%
HSI	28,795.8	-59.4	-0.21%
STI	3,372.3	4.4	0.13%
KOSPI	2,108.7	12.7	0.61%
TWSE	10,775.9	32.1	0.30%
JCI	6,376.0	13.3	0.21%
SET	1,724.4	-14.1	-0.81%

FOREX	4-Jul	3-Jul	% chg
USD/MYR:	4.1330	4.1370	-0.10%
EUR/USD:	1.1286	1.1297	-0.10%
GBP/USD:	1.2575	1.2570	0.04%
USD/YEN:	107.79	107.63	0.15%
USD/SGD:	1.3560	1.3564	-0.03%
USD/HKD:	7.7883	7.7967	-0.11%

KEY STATS

KLCI Spot			
Vol (m shares):	2,838.2	3,010.7	-5.73%
Value (RMm):	1,789.9	1,823.0	-1.82%
KLCI Future			
July-19	1,694.0	1,692.5	0.09%
August-19	1,693.0	1,691.0	0.12%
CPO Price (RM/tonne)			
CPO Price	1,983.0	1,989.0	-0.30%
Soybean (US\$/bu)	N.A.	889.8	N.A.
SoyOil (US\$/lb)	N.A.	28.3	N.A.
Gold (US\$/troy oz)	N.A.	1,420.9	N.A.
Nymex crude oil (US\$/bbl)	N.A.	57.3	N.A.
Latex (RM/kg)	4.88	4.90	-0.31%
Tin (US\$/mt)	18,358.0	18,303.0	0.30%

NEWS HIGHLIGHTS

- **KNM secures RM36.0m air cooler heat exchangers job from Technip**
- **Soh Tong Hwa emerges as substantial shareholder in Kelington**
- **Diversified Gateway Solutions sells Thai consulting firm for RM32.0m, declares dividend**
- **Sunzen disposes of 70.0% stake it bought in food items manufacturer after profit shortfall**
- **Minetech appoints Yee Kon Sin as its new CEO**

MACRO BITS

- **Vietnam tariffs show U.S. trade war hammer can hit anyone**
- **China says existing U.S. tariffs must be removed for a trade deal**
- **Trump tweet sparks concerns that the US may raise tariffs on Europe**
- **May exports expands on higher palm oil shipments, trade surplus narrows (See Economic Viewpoint: Malaysia External Trade)**
- **Economic Affairs Ministry: 12 Malaysian Plan engagement sessions kicks off nationwide tomorrow**
- **DPM disputes World Bank report that Malaysia's civil service stagnating at high cost**
- **IMF board approves USD6.0b loan package for Pakistan**
- **S Korea says Japan's high-tech export curbs threat to global economy**
- **Crunch time looms for Trump's new Nafta**
- **What the June jobs report tells us about the U.S. economy**
- **Euro zone May retail sales unexpectedly fall 0.3% month-on-month: Eurostat**
- **Europe trade channel with Iran close to first deal in days: France**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Sector Update: Building Materials, Construction, Healthcare, Media, MREITS, Oil & Gas, Plantation**
- **On Our Technical Watch: REVENUE, MAYBULK**
- **Rating Summary**
- **Economic Viewpoint: Malaysia External Trade**

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	DIGI	5.08	0.0	10.70	DIALOG	3.33	0.9	5.33	PMETAL	4.35	-1.1	1.32
2	AXIATA	5.26	0.8	9.69	AXIATA	5.26	0.8	9.69	CIMB	5.30	-1.1	5.47
3	SIME	2.31	0.0	7.81	MISC	7.27	0.6	0.87	PETGAS	17.36	-1.0	0.52
4	MAYBANK	8.98	0.1	7.72	MAXIS	5.70	0.5	0.70	SIMEPLT	4.83	-0.8	2.33
5	PICHEM	8.62	0.2	6.19	AMBANK	4.41	0.5	0.67	TOPGLOV	4.86	-0.8	3.78
6	CIMB	5.30	-1.1	5.47	HAPSENG	9.94	0.4	0.06	TENAGA	14.14	-0.7	2.17
7	DIALOG	3.33	0.9	5.33	PETDAG	25.70	0.4	0.42	IHH	5.83	-0.7	1.22
8	HARTA	5.21	0.0	4.47	PICHEM	8.62	0.2	6.19	GENTING	6.81	-0.4	2.19
9	TOPGLOV	4.86	-0.8	3.78	KLK	24.50	0.2	0.08	HLBANK	19.02	-0.4	0.31
10	RHBBANK	5.77	0.0	3.48	MAYBANK	8.98	0.1	7.72	HLFG	18.76	-0.2	0.22

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **KNM secures RM36.0m air cooler heat exchangers job from Technip**

KNM Group Bhd has bagged an air cooler heat exchangers contract worth EUR7.8m, equivalent to about RM36.1m, from Technip Italy SpA. In a stock exchange filing, KNM said its indirect wholly-owned unit secured the job from Technip via a purchase order (PO) dated June 28, and that it involves the design, detailed engineering, fabrication and supply of air cooler heat exchangers as part of the expansion and modernisation projects of the Middle East Oil Refinery located in Alexandria, Egypt, that is managed by Middle East Refining Ltd (MIDOR). The job is to be completed in no more than 14 months from the PO's date. *(The Edge)*

- **Soh Tong Hwa emerges as substantial shareholder in Kelington**

An individual by the name of Soh Tong Hwa has emerged as a substantial shareholder in Kelington Group Bhd, after he acquired a 20.0% stake in Kelington's largest shareholder Palace Star Sdn Bhd. In a filing with Bursa Malaysia, Kelington, which provides ultra high purity gas delivery solutions, said Soh had acquired the 20.0% stake in Palace Star on Friday (June 28, 2019). After the acquisition, Soh has an indirect stake of 27.6% in Kelington, comprising 84.8m shares, Kelington said. Soh also has a 0.13% direct stake comprising 407,000 shares in Kelington, the filing showed. *(The Edge)*

- **Diversified Gateway Solutions sells Thai consulting firm for RM32.0m, declares dividend**

Computer software and hardware consulting company Diversified Gateway Solutions Bhd (DGSB) is disposing of its entire stake in ISS Consulting (Thailand) Ltd for THB236.4m (approximately RM32.0m) cash. The company will declare a special dividend of 0.8 sen per share with part of the proceeds. The divestment is a move to unlock and realise the value of its overseas investment in the company, said the company in a filing with Bursa Malaysia. *(The Edge)*

- **Sunzen disposes of 70.0% stake it bought in food items manufacturer after profit shortfall**

Animal health specialist Sunzen Biotech Bhd is disposing of its 70.0% stake in food items manufacturer Amplio Ingredients Sdn Bhd for RM1.5m, as the latter was unable to procure the level of net profit agreed upon in the acquisition agreement last year. In a filing with Bursa Malaysia, Sunzen said it had entered into a settlement agreement with Amplio and its chief executive officer to settle and resolve controversies and disputes arising from agreements it had with them. Sunzen had acquired the 70.0% stake in Amplio from Low and Amplio director on May 8, 2018 for RM2.8m, with the promise from the owners that Amplio would be able to procure a profit sum of RM0.8m in the first year upon completion of the share sale agreement, and a further RM1.0m and RM1.2m during the second year and third year respectively. *(The Edge)*

- **Minetech appoints Yee Kon Sin as its new CEO**

Quarry operator Minetech Resources Bhd has appointed Yee Kon Sin as its chief executive officer. Yee, 60, started his career as a Qualified Assistant in Hanafiah Raslan & Mohamed for five years, and later joined D&C Sakura Merchant Bankers Bhd as a Credit Manager, said Minetech, in a filing with Bursa Malaysia. In 1989, Yee joined UMW Equipment Sdn Bhd as Accountant and progressed to the position of Senior General Manager. He then joined De Lufra Sdn Bhd as its chief operating officer on April 1, 2016 prior to joining Minetech on Jan 1, 2019. *(The Edge)*

Macro Bits

Global

- [Vietnam tariffs show U.S. trade war hammer can hit anyone](#) Just as the market breathed a sigh of relief with the U.S.-China trade truce, the U.S. decision to slap 400.0% duties on imports of Vietnamese steel reinforce concerns that the trade war is global. (*Bloomberg*)
- [China says existing U.S. tariffs must be removed for a trade deal](#) Existing U.S. tariffs will have to be removed if there is to be a trade deal between Beijing and Washington, China's commerce ministry said on Thursday. (*Reuters*)
- [Trump tweet sparks concerns that the US may raise tariffs on Europe](#) U.S. President Donald Trump has accused China and Europe of manipulating their currencies, raising fears that Washington will carry out repeated threats to impose tariffs on goods from the European Union. (*CNBC*)

Malaysia

- **May exports expands on higher palm oil shipments, trade surplus narrows.** May exports expanded by 2.5% YoY (Apr: 1.1%), remaining on an uptrend for the third successive month, but was below consensus and house estimate of 3.6% and 13.5%, respectively. On a MoM basis, it contracted by 1.2% (Apr: +1.3%). The stronger YoY performance was mainly driven by improved demand from the US, China and Philippines, and bigger export value for palm oil. Meanwhile, imports softened to 1.4% (Apr: 4.4%), below consensus and above house estimate of +2.6% and -2.3%, respectively. As exports declined and imports expanded on a MoM basis, the trade surplus narrowed to a 6-month low of RM9.1b (Apr: RM10.8b). Year-to-date, exports grew by 0.3% (2018: 6.7%), while imports dropped by 0.3% (2018: +1.6%), resulting in an enlarged trade surplus of RM56.8b (2018: RM54.5b). (*See Economic Viewpoint: Malaysia External Trade*)
- [Economic Affairs Ministry: 12 Malaysian Plan engagement sessions kicks off nationwide tomorrow](#) A series of stakeholder engagement sessions to gather feedback for the preparation of the 12th Malaysian Plan (12MP) will be carried out nationwide from tomorrow. (*Malay Mail*)
- [DPM disputes World Bank report that Malaysia's civil service stagnating at high cost](#) Datuk Seri Dr Wan Azizah Wan Ismail defended the country's civil service today against the latest World Bank economic monitor report stating that it has a large wage bill but has been stagnating since 2014. (*Malay Mail*)

Asia Pacific

- [IMF board approves USD6.0b loan package for Pakistan](#) The International Monetary Fund's executive board has approved a three-year USD6.0b bailout plan requested by the government of Pakistani Prime Minister Imran Khan to resuscitate the country's ailing economy. (*Aljazeera*)
- [S Korea says Japan's high-tech export curbs threat to global economy](#) South Korea's trade minister said on Thursday Japanese export limits on high-tech materials bound for Seoul would pose a "huge threat" to the global economy and disrupt the global supply chain. (*Japan Today*)

Americas

- [Crunch time looms for Trump's new Nafta](#) Signed by Canada, Mexico and the U.S. more than seven months ago, the new Nafta agreement isn't so new anymore. But it may be close to grabbing the spotlight again. (*Bloomberg*)
- [What the June jobs report tells us about the U.S. economy](#) Friday's jobs report holds critical clues to the durability of the longest economic expansion in U.S. history. Hiring has downshifted in recent months, raising concerns of a slowdown after a decade of growth. (*The Wall Street Journal*)

Europe

- [Euro zone May retail sales unexpectedly fall 0.3% month-on-month: Eurostat](#) Euro zone retail sales fell in May, bucking economists' expectations of a slight increase, European Union data showed on Thursday. (*Reuters*)
- [Europe trade channel with Iran close to first deal in days: France](#) French Finance Minister Bruno Le Maire said on Thursday he hoped a special trade channel set up with Iran would complete a first, limited transaction in the coming days. (*Reuters*)

05 July 2019

List of Oversold Stocks (14-Day RSI<30-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
TONG HERR RESOURCES BERHAD	2.660	25.25	29.10	24.81	2.610
MCT BHD	0.305	29.15	31.18	32.51	0.300
HEKTAR REAL ESTATE INVESTMEN	1.020	29.75	30.43	50.96	1.000

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Overbought Stocks (14-Day RSI>70-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
FOCUS DYNAMICS GROUP BHD	0.225	88.99	93.71	99.66	0.235
DATASONIC GROUP BHD	0.705	88.26	93.30	98.84	0.730
KNM GROUP BHD	0.300	81.78	86.33	89.51	0.315
YINSON HOLDINGS BHD	6.650	81.62	83.53	88.42	6.650
AXIATA GROUP BERHAD	5.260	79.51	84.65	95.26	5.280
YNH PROPERTY BHD	2.480	79.27	80.94	64.22	2.520
BURSA MALAYSIA BHD	7.100	76.64	84.83	97.44	7.130
LINGKARAN TRANS KOTA HLDGS	4.970	76.09	80.34	88.84	5.000
PENTAMASTER CORP BHD	3.120	74.68	82.07	96.21	3.120
OCK GROUP BHD	0.555	74.44	82.81	97.10	0.565
MALAYSIA AIRPORTS HLDGS BHD	8.700	74.35	78.69	93.40	8.850
TELEKOM MALAYSIA BHD	4.370	74.07	74.97	82.86	4.370
BERJAYA SPORTS TOTO BHD	2.810	73.57	79.93	88.26	2.810
HONG LEONG INDUSTRIES BHD	11.440	73.07	76.19	78.99	11.600
POWER ROOT BHD	1.620	72.95	77.97	94.20	1.620
INSAS BHD	0.810	72.86	82.27	97.52	0.840
DRB-HICOM BHD	2.370	72.84	78.94	94.26	2.400
AMWAY MALAYSIA HOLDINGS BHD	6.210	71.58	83.66	99.24	6.240
KERJAYA PROSPEK GROUP BHD	1.420	71.52	74.92	73.05	1.430
PARAMOUNT CORP BHD	2.280	71.23	73.85	70.23	2.300
DAYANG ENTERPRISE HLDGS BHD	1.360	70.97	82.01	98.35	1.360
MAGNUM BHD	2.720	70.26	72.66	74.18	2.750

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Oversold Warrants (14-Day RSI<30-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
HANG SENG IND-6N	0.020	26.44	18.77	2.70	0.015	30/7/2019
HANG SENG IND-6P	0.115	29.85	25.41	26.56	0.105	27/9/2019

Source: Bloomberg

List of Overbought Warrants (14-Day RSI>70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
DATASONIC GROUP BHD-WA	0.200	93.90	97.55	99.98	0.225	5/7/2023
KNM GROUP-WB	0.130	91.78	96.44	99.94	0.150	21/4/2020
SUMATEC RESOURCES BHD-WA	0.035	90.62	95.15	99.82	0.040	3/3/2021
DRB-HICOM BHD-C81	0.120	83.33	86.00	93.75	0.120	20/12/2019
REVENUE GROUP BHD -WA	0.565	82.75	88.80	96.39	0.565	14/1/2024
YINSON HOLDIN-CY	0.325	82.28	82.14	89.63	0.330	14/10/2019
YINSON HOLDIN-CW	0.460	76.28	76.98	83.93	0.495	31/12/2019
TEK SENG HOLDINGS-WA	0.050	73.31	81.05	95.50	0.050	29/1/2020
POS MALAYSIA-C35	0.075	73.07	72.55	65.01	0.090	20/12/2019
DRB-HICOM BHD-C70	0.290	70.38	76.53	93.55	0.300	31/10/2019

Source: Bloomberg



Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

******Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.***

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Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

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