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Research Highlights

NEWS HIGHLIGHTS

- Paramount to launch four projects worth RM783.0m GDV in 2H19
- I-Bhd to raise minimum of RM100.0m from rights issue
- More boardroom changes at Boustead Heavy Industries
- Icon Offshore gets charter deal extension worth RM36.0m
- ARB signs MoU for IT projects worth at least RM500.0m

MACRO BITS

- We want to uphold nuclear deal if all sides do, Iran's IAEA ambassador tells paper
 - Iran enriching uranium to 4.5% purity, IAEA tells member states
 - U.S., Chinese negotiators hold 'constructive' phone talks on trade
 - Dr Mahathir: Automatic registration included in bill to lower voting age
 - S Korea, Malaysia to hold first round of FTA talks this week
 - China to reduce tariffs, improve export tax rebate policies
 - China's 2019 growth seen slowing to 6.2% as trade war weighs
 - China autos brace for another annual contraction, sales shrink in June
 - China's producer prices stall in June, fuel deflation worries
 - Fed's Powell says trade, global growth concerns continue to weigh on U.S. economy
 - U.S. exempts some medical, electronic devices from China tariffs
 - Autos rebound helps UK economy in May, but weakness remains
 - Euro zone growth, inflation outlook cut as risks from U.S. trade grow
- IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)**
- **Company Update: CIMB**
 - **On Our Technical Watch: BJTOTO, REVENUE**

BURSA	10-Jul	Day chg	% chg
KLCI	1,679.0	-3.9	-0.23%
FTSE EMAS	11,879.9	-29.7	-0.25%
FTSE Smallcap	13,508.2	26.21	0.19%
FTSE MESDAQ	4,607.9	-18.0	-0.39%
KLSE Mkt Cap (RM'b)	1,692.7	-3.5	-0.21%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-43.47	49.82
Local Retail	0.95	26.56
Foreign	42.52	23.62

INDICES	10-Jul	Day chg	% chg
Dow Jones	26,860.2	76.7	0.29%
S&P 500	2,993.1	13.4	0.45%
NASDAQ	8,202.5	60.8	0.75%
FTSE-100	7,530.7	-5.8	-0.08%
Nikkei 225	21,533.5	-31.7	-0.15%
SHCOMP	2,915.3	-12.9	-0.44%
HSI	28,204.7	88.4	0.31%
STI	3,340.4	11.0	0.33%
KOSPI	2,058.8	6.8	0.33%
TWSE	10,798.5	95.7	0.89%
JCI	6,410.7	22.4	0.35%
SET	1,739.4	18.0	1.04%

FOREX	10-Jul	9-Jul	% chg
USD/MYR:	4.1370	4.1417	-0.11%
EUR/USD:	1.1217	1.1202	0.13%
GBP/USD:	1.2470	1.2466	0.03%
USD/YEN:	108.92	108.80	0.11%
USD/SGD:	1.3613	1.3612	0.01%
USD/HKD:	7.8157	7.8103	0.07%

KEY STATS

KLCI Spot			
Vol (m shares):	2,235.6	2,410.1	-7.24%
Value (RMm):	2,021.5	1,723.7	17.28%
KLCI Future			
July-19	1,677.0	1,683.5	-0.39%
August-19	1,677.5	1,684.0	-0.39%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	894.5	886.0	0.96%
SoyOil (USc/lb)	28.2	28.1	0.25%
Gold (US\$/troy oz)	1,412.5	1,400.5	0.86%
Nymex crude oil (US\$/bbl)	60.4	57.8	4.50%
Latex (RM/kg)	4.77	4.78	-0.21%
Tin (US\$/mt)	18,148.0	18,192.0	-0.24%

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	SIME	2.34	0.4	8.58	PMETAL	4.43	1.6	0.52	PCHEM	8.41	-2.2	7.33
2	DIALOG	3.38	0.3	8.56	AIRPORT	8.80	0.8	3.24	PETDAG	25.00	-2.1	0.51
3	PCHEM	8.41	-2.2	7.33	HAPSENG	9.95	0.5	0.32	MAXIS	5.65	-1.1	0.80
4	CIMB	5.33	-0.4	7.22	IOICORP	4.27	0.5	0.68	PETGAS	17.32	-1.0	0.22
5	DIGI	5.05	-0.2	6.92	SIME	2.34	0.4	8.58	AMBANK	4.31	-0.9	1.01
6	MAYBANK	8.94	0.0	5.88	GENM	3.30	0.3	5.34	GENTING	6.60	-0.8	3.17
7	AXIATA	5.18	0.2	5.67	DIALOG	3.38	0.3	8.56	TENAGA	13.74	-0.7	2.14
8	GENM	3.30	0.3	5.34	PBBANK	23.12	0.3	3.91	RHBBANK	5.71	-0.7	2.77
9	PBBANK	23.12	0.3	3.91	AXIATA	5.18	0.2	5.67	SIMEPLT	4.88	-0.4	2.24
10	AIRPORT	8.80	0.8	3.24	HARTA	5.23	0.2	3.08	CIMB	5.33	-0.4	7.22

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Paramount to launch four projects worth RM783.0m GDV in 2H19**

Paramount Corp Bhd is planning to launch four new projects with a combined estimated gross development value (GDV) of RM783.0m in the second half of 2019 (2H19). Speaking to reporters after its extraordinary general meeting here, its group chief executive officer and director explained that most of its launches for this year have been pushed to 2H19 as the property market has been soft. *(The Edge)*

- **I-Bhd to raise minimum of RM100.0m from rights issue**

I-Bhd plans to make a cash call by raising a minimum of RM100.0m under a proposed rights issue of redeemable cumulative convertible preference shares (RCCPS). The company also said it was extending the maturity date of its redeemable convertible unsecured loan stocks (RCULS) of about RM201.0m (RCULS extension) maturing on Aug 27, 2019 by three years. "With the RCULS extension preserving the group's cash flows and the rights issue raising fresh capital, the group remains steadfast in building-up its property investment and hospitality portfolio while also growing its property development segment," it said. *(The Star)*

- **More boardroom changes at Boustead Heavy Industries**

Boustead Heavy Industries Corporation Bhd (BHIC) has announced massive boardroom changes. The warship builder told Bursa Malaysia that two of its non-executive directors, have resigned. Meanwhile, BHIC has appointed six non-executive directors, according to its filing with Bursa Malaysia. For the full financial year ended Dec 31, 2018 (FY18), the group registered a net loss of RM108.3m versus a net profit of RM10.6m in FY17, while revenue fell 39% at RM169.1m from RM277.7m a year earlier. *(The Edge)*

- **Icon Offshore gets charter deal extension worth RM36.0m**

Icon Offshore Bhd's Brunei subsidiary has received an extension on the charter of its vessel, Icon Kayra, from charterer Zell Transportation (ZT). In a filing to Bursa Malaysia, Icon Offshore said its subsidiary Icon Bahtera (B) Sdn Bhd (IBSB) had received the extension on May 10 this year. Icon Offshore said it had via IBSB received the approval from ZT to release the announcement regarding the said extension of the contract. The firm and ZT had entered into a time charter party on April 16, 2014, for the charter of Icon Kayra for five years, with an option to extend for another two years. *(The Edge)*

- **ARB signs MoU for IT projects worth at least RM500.0m**

Information technology (IT) solutions and services provider ARB Bhd signed two memoranda of understanding (MoU) for projects worth at least USD120.0m (RM499.8m). In a statement, ARB said the first MoU signed with property player Chean Chhoeng Thai Group Co Ltd (CCTG) was for it to deploy Internet of Things (IoT) and IT to the latter's mixed development project in Phnom Penh, Cambodia. Under the MoU, the IoT and IT project value for ARB's wholly-owned unit, ARBIOT Sdn Bhd, is not less than USD100.0m (RM417.0m). The entire mixed development project is worth USD1.5b (RM6.2b). *(The Edge)*



Macro Bits

Global

- [We want to uphold nuclear deal if all sides do, Iran's IAEA ambassador tells paper](#) Iran intends to preserve the nuclear deal with major powers if all parties fulfill their obligations under it, its ambassador to the International Atomic Energy Agency (IAEA) nuclear body told a German newspaper. *(Reuters)*
- [Iran enriching uranium to 4.5% purity, IAEA tells member states](#) Iran is enriching uranium to 4.5% purity, above the 3.67% limit set by its deal with major powers, the U.N. nuclear watchdog policing the deal told member states in a closed-door meeting on Wednesday, diplomats familiar with the figures said. *(Reuters)*
- [U.S., Chinese negotiators hold 'constructive' phone talks on trade](#) U.S. and Chinese trade officials held a “constructive” phone conversation on Tuesday, White House economic adviser Larry Kudlow said, marking a new round of talks after the world’s two largest economies agreed to a truce in a year-long trade war. *(Reuters)*

Malaysia

- [Dr Mahathir: Automatic registration included in bill to lower voting age](#) Prime Minister Tun Dr Mahathir Mohamad says the updated version of the amendment bill to reduce Malaysia's voting age to 18 from 21 will also include automatic voter registration. *(The Edge Markets)*
- [S Korea, Malaysia to hold first round of FTA talks this week](#) South Korea plans to hold the first round of negotiations on the bilateral free trade agreement (FTA) with Malaysia this week, as part of efforts to strengthen economic ties with the Southeast Asian country and boost trade, Yonhap news agency reported, quoting the trade ministry Wednesday. *(The Edge Markets)*

Asia Pacific

- [China to reduce tariffs, improve export tax rebate policies](#) China will stabilize trade by reducing tariffs, improving export tax rebate policies and cutting insurance fees for export companies, state television reported on Wednesday, citing a state council meeting chaired by Premier Li Keqiang. *(Reuters)*
- [China's 2019 growth seen slowing to 6.2% as trade war weighs](#) China's economic growth is expected to slow to a near 30-year low of 6.2% this year, a Reuters poll showed on Wednesday, despite a flurry of support measures to spur domestic demand amid a bruising trade war with the United States. *(Reuters)*
- [China autos brace for another annual contraction, sales shrink in June](#) China is likely to see vehicle sales drop again this year as opposed to earlier expectations for zero growth, the country's biggest auto industry association said, after it unveiled data showing the sector contracted for a 12th straight month in June. *(Reuters)*
- [China's producer prices stall in June, fuel deflation worries](#) China's producer prices flatlined in June on lower oil prices and weak global demand, fuelling concerns that a slowdown in manufacturing from a bruising trade war will further drag on growth in the world's second-biggest economy. *(Reuters)*

Americas

- [Fed's Powell says trade, global growth concerns continue to weigh on U.S. economy](#) Concerns about trade policy and a weak global economy “continue to weigh on the U.S. economic outlook” and the Federal Reserve stands ready to “act as appropriate” to sustain a decade-long expansion, Fed Chairman Jerome Powell said on Wednesday in remarks that could bolster expectations of an interest rate cut later this month. *(Reuters)*
- [U.S. exempts some medical, electronic devices from China tariffs](#) The Trump administration will exempt 110 Chinese products, from medical equipment to key capacitors, from hefty tariffs, it said on Tuesday, offering relief to some U.S. firms which have said the taxes harm their bottom lines. *(Reuters)*

Europe

- [Autos rebound helps UK economy in May, but weakness remains](#) Britain's economy grew more than expected in May, helped by rebounding car output after Brexit-related shutdowns, but the outlook remains fragile as a new prime minister prepares to take Britain out of the European Union. *(Reuters)*
- [Euro zone growth, inflation outlook cut as risks from U.S. trade grow](#) The European Commission lowered its estimates on Wednesday for euro zone growth and inflation, saying uncertainty over U.S. trade policy posed a major risk to the bloc. *(Reuters)*

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
YEE LEE CORPORATION	2.110	19.23	13.43	6.16	2.070
TONG HERR RESOURCES BERHAD	2.580	19.49	17.89	3.10	2.580
MCT BHD	0.280	20.50	16.60	2.42	0.270
HEKTAR REAL ESTATE INVESTMEN	1.010	26.28	24.21	14.64	1.000
TAN CHONG MOTOR HOLDINGS BHD	1.440	28.04	21.77	3.60	1.440
AMANAHRAYA REIT	0.835	28.99	16.54	0.49	0.835

*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	0.270	89.17	91.02	83.59	0.285
DATASONIC GROUP BHD	0.735	87.79	91.22	84.87	0.750
YINSON HOLDINGS BHD	7.100	86.24	89.16	96.78	7.160
KESM INDUSTRIES BHD	8.430	86.10	93.76	99.84	8.740
YNH PROPERTY BHD	2.620	82.88	85.61	86.88	2.620
KNM GROUP BHD	0.310	80.20	82.74	65.46	0.325
PENTAMASTER CORP BHD	3.310	80.05	85.80	88.35	3.390
MEGA FIRST CORP BHD	3.850	78.69	88.36	99.42	3.900
PESTECH INTERNATIONAL BHD	1.410	78.65	82.37	92.37	1.430
JCY INTERNATIONAL BHD	0.220	77.78	82.70	91.32	0.220
RANHILL HOLDINGS BHD	1.310	77.02	84.00	95.52	1.340
MALAYSIA AIRPORTS HLDGS BHD	8.800	76.02	80.90	92.29	8.880
PANASONIC MANUFACTURING MALA	40.200	75.59	80.47	95.87	40.300
POWER ROOT BHD	1.750	74.91	77.10	76.15	1.780
KUMPULAN FIMA BHD	1.740	74.84	78.56	72.76	1.800
PARAMOUNT CORP BHD	2.320	74.68	78.58	89.68	2.340
DRB-HICOM BHD	2.450	74.54	79.12	83.35	2.560
POS MALAYSIA BERHAD	1.920	73.90	79.97	88.75	2.000
DUFU TECHNOLOGY CORP BHD	1.870	73.48	81.68	96.74	1.880
HONG LEONG INDUSTRIES BHD	11.440	73.07	76.19	78.99	11.600
TELEKOM MALAYSIA BHD	4.430	72.49	72.88	78.90	4.490
ECONPILE HOLDINGS BHD	0.830	71.64	74.65	82.45	0.850
KAWAN FOOD BHD	1.520	71.46	81.86	94.56	1.520
MAGNUM BHD	2.750	70.96	73.53	82.59	2.750
SAM ENGINEERING & EQUIPMENT	8.620	70.63	76.83	93.32	8.680

*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
WEGMANS HOLDINGS BHD -WA	0.105	29.17	22.08	2.32	0.100	13/1/2022

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	0.240	95.86	98.53	100.00	0.255	5/7/2023
POWER ROOT BHD-WA	0.570	87.88	91.82	96.72	0.570	31/12/2023
YINSON HOLDIN-CY	0.405	86.71	88.50	97.33	0.425	14/10/2019
DRB-HICOM BHD-C81	0.135	82.89	84.73	90.23	0.150	20/12/2019
REVENUE GROUP BHD -WA	0.600	81.50	85.24	88.89	0.635	14/1/2024
POS MALAYSIA-C35	0.105	79.30	80.59	85.48	0.115	20/12/2019
TEK SENG HOLDINGS-WA	0.070	75.54	80.35	89.64	0.070	29/1/2020
DRB-HICOM BHD-C70	0.335	73.71	78.35	82.80	0.375	31/10/2019
POS MALAYSIA-C33	0.080	73.67	83.08	95.76	0.090	31/10/2019
NICHE CAPITAL EMAS HOLD-WA	0.035	72.38	76.36	91.89	0.035	22/1/2024
KNM GROUP-WA	0.115	70.93	68.17	35.61	0.150	21/4/2020
DRB-HICOM BHD-C74	0.135	70.49	76.24	85.64	0.150	30/9/2019

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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