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Research Highlights

BURSA	13-Aug	Day chg	% chg
KLCI	1,592.9	-22.17	-1.37%
FTSE EMAS	11,290.4	-149.9	-1.31%
FTSE Smallcap	12,944.9	-256.41	-1.94%
FTSE MESDAQ	4,613.7	-84.0	-1.79%
KLSE Mkt Cap (RM'b)	1,609.3	-18.9	-1.16%

NEWS HIGHLIGHTS

- George Kent starts arbitration process against partner MRCB over LRT 3 funding dispute (*Comment Included in Kenanga Today*)
- GHL obtains money lending licences in Malaysia and Thailand
- DNex inks MoU with PIJ for Johor halal certification blockchain system
- Uni Wall's unit bags RM83.5 mil sub-contract works
- Tien Wah's 2Q net profit plunges 68.5% on higher costs

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	126.17	44.10
Local Retail	83.38	22.14
Foreign	-209.55	33.76

MACRO BITS

- U.S. to delay China tariffs on some products, including laptops, cell phones
- Trump eyes China for shift on U.S. agricultural product purchases
- U.S. President Trump asked Japan PM to buy farm products: Kyodo
- Eases on decline in motor vehicles sales amid high base effect (*See Economic Viewpoint: Malaysia Distributive Trade*)
- NFCP needs RM21.6b investment from 2019-2023, says Lim
- EU hits Indonesia with new biodiesel levies, risking tit for tat
- Japan says South Korea failed to justify trade restriction
- U.S. inflation accelerates; Fed rate cut still expected
- Argentina default concerns grow after market crash
- UK jobs market shines, but clouds on horizon
- Merkel: No need for fiscal stimulus package right now

INDICES	13-Aug	Day chg	% chg
Dow Jones	26,279.9	372.5	1.44%
S&P 500	2,926.3	42.6	1.48%
NASDAQ	8,016.4	152.9	1.95%
FTSE-100	7,250.9	24.2	0.33%
Nikkei 225	20,455.4	N.A.	N.A.
SHCOMP	2,797.3	-17.7	-0.63%
HSI	25,281.3	-543.4	-2.10%
STI	3,146.7	N.A.	N.A.
KOSPI	1,925.8	-16.5	-0.85%
TWSE	10,362.7	-109.7	-1.05%
JCI	6,211.0	-39.6	-0.63%
SET	1,620.2	N.A.	N.A.

FOREX	13-Aug	12-Aug	% chg
USD/MYR:	4.1960	N.A.	N.A.
EUR/USD:	1.1216	1.1197	0.17%
GBP/USD:	1.2086	1.2087	-0.01%
USD/YEN:	105.22	105.13	0.09%
USD/SGD:	1.3876	1.3873	0.02%
USD/HKD:	7.8469	7.8453	0.02%

KEY STATS

KLCI Spot			
Vol (m shares):	2,194.7	1,967.4	11.56%
Value (RMm):	1,691.3	1,552.5	8.94%
KLCI Future			
August-19	1,586.5	1,612.0	-1.58%
September-19	1,579.5	1,606.0	-1.65%
CPO Price (RM/tonne)	2,232.0	2,200.0	1.45%
Soybean (US\$/bu)	876.3	866.8	1.10%
SoyOil (USc/lb)	29.3	29.8	-1.68%
Gold (US\$/troy oz)	1,507.9	1,510.9	-0.20%
Nymex crude oil (US\$/bbl)	57.1	54.9	3.95%
Latex (RM/kg)	4.41	4.40	0.11%
Tin (US\$/mt)	17,150.0	16,870.0	1.66%

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Plantation
- Results Note: PCHEM
- Company Update: SERBADK, SIME
- Quick Bites: AXREIT
- On Our Technical Watch: SUNREIT, BJTOTO
- Economic Viewpoint: Malaysia Distributive Trade

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	GENM	3.12	-3.1	44.80	PPB	18.76	0.0	0.42	PBBANK	20.74	-3.6	5.67
2	PCHEM	7.24	-2.0	11.60	KLK	23.56	-0.2	0.25	GENM	3.12	-3.1	44.80
3	GENTING	6.05	-2.3	10.00	NESTLE	147.70	-0.2	0.04	AMBANK	3.98	-2.9	1.71
4	RHBBANK	5.55	-0.9	8.09	HLFG	17.26	-0.2	0.36	GENTING	6.05	-2.3	10.00
5	IHH	5.66	-1.2	7.62	MISC	7.20	-0.3	1.41	AIRPORT	8.31	-2.2	2.34
6	CIMB	5.00	-0.8	6.27	PETDAG	23.20	-0.3	0.56	PCHEM	7.24	-2.0	11.60
7	MAYBANK	8.56	-0.5	5.92	MAXIS	5.39	-0.4	2.35	SIME	2.15	-1.8	3.82
8	PBBANK	20.74	-3.6	5.67	MAYBANK	8.56	-0.5	5.92	PMETAL	4.78	-1.7	2.48
9	DIALOG	3.39	-0.6	4.87	IOICORP	4.20	-0.5	3.75	TENAGA	13.60	-1.6	3.86
10	DIGI	4.97	-0.6	4.36	DIALOG	3.39	-0.6	4.87	SIMEPLT	4.60	-1.5	4.29

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **George Kent starts arbitration process against partner MRCB over LRT 3 funding dispute**

George Kent (M) Bhd has commenced an arbitration proceeding against its joint venture partner Malaysia Resources Bhd (MRCB) over a dispute relating to securing of funds for the Light Rail Transit line 3 (LRT 3) project. The notice of arbitration was served on Aug 13. MRCB and George Kent set up a joint venture company - MRCB George Kent Sdn Bhd - to undertake and complete the LRT 3 project. The JV company was appointed by Prasarana Malaysia Bhd on Sept 4, 2015 as the project delivery partner for the LRT 3 project. (The Edge)

Comment: We are neutral on the news as it has no impact on LRT3's progress, which is scheduled to resume work in full swing by next year. The arbitration is mainly due to difference of opinion in the interpretation of certain provisions of the shareholders' agreement with regards to the options for securing of the financing requirements for the JV company Maintain MP; TP: RM1.15. Our TP implies FY21E PER of 7.8x which is in-line with our ascribed multiple of 6.0-11.0x within the construction space. (By: Adrian Ng)

- **GHL obtains money lending licences in Malaysia and Thailand**

Payment systems provider GHL Systems Bhd said it has obtained operating licences from the respective regulators to commence money lending services in both Malaysia and Thailand. In a statement, GHL said its Malaysian unit GHL Payments Sdn Bhd had received the Money Lending Licence issued by the Ministry of Housing and Local Government under the Moneylenders Act 1951, while its Thailand unit GHL (Thailand) Co was issued the Nano Finance Licence by the Bank of Thailand. The licences permit money lending services to both individuals as well as businesses, GHL said. (The Edge)

- **DNex inks MoU with PIJ for Johor halal certification blockchain system**

Dagang NeXchange Bhd (DNEX) has inked a memorandum of understanding with Johor government-owned Perbadanan Islam Johor Sdn Bhd (PIJ) to work on the Johor halal certification blockchain system (JHCBS). In a statement, the group said its wholly-owned subsidiary Dagang Net Technologies Sdn Bhd inked the MoU with PIJ, which will see the two working on the JHCBS. This includes the embedding of blockchain technology for the application and verification of halal and marriage certificates. The two groups will also look in the development and implementation of a digital halal hub and an e-commerce halal platform. (The Edge)

- **Uni Wall's unit bags RM83.5 mil sub-contract works**

Uni Wall APS Holdings Bhd's unit, Uni Wall Architectural Products & Services Sdn Bhd, has accepted a letter of award from Global Facade Sdn Bhd for sub-contract works worth RM83.5m. In a filing with Bursa Malaysia, Uni Wall said the contract entailed the design, supply, fabrication and installation of aluminium and glazing works for office towers in Damansara Heights, Kuala Lumpur. The contract period started from May 16, 2019 to Nov 24, 2020. (The Edge)

- **Tien Wah's 2Q net profit plunges 68.5% on higher costs**

Tien Wah Press Holdings Bhd's net profit for the second quarter ended June 30, 2019 (2QFY19) dropped 68.5% to RM1.2m, from RM3.8m a year earlier, on higher costs. Earnings per share plunged to 0.83 sen from 2.63 sen, according to the packaging group's filing with Bursa Malaysia. Quarterly revenue rose marginally by 0.9% to RM92.8m, from RM92.0m previously. Tien Wah said it had incurred additional costs for the completion of its new production footprint. Throughout the year, the group also incurred additional costs to intensify its Dubai operations, in order to compete in the Middle East market. (The Edge)



Macro Bits

Global

- [U.S. to delay China tariffs on some products, including laptops, cell phones](#) The Trump administration on Tuesday delayed imposing a 10% import tariff on laptops, cell phones, video game consoles and a wide range of other products made in China, in an abrupt pull-back from a hardline stance on Chinese trade. *(Reuters)*
- [Trump eyes China for shift on U.S. agricultural product purchases](#) U.S. President Donald Trump on Tuesday cited China for not following through with expected large purchases of U.S. agricultural products but appeared hopeful that Beijing's stance could change. *(Reuters)*
- [U.S. President Trump asked Japan PM to buy farm products: Kyodo](#) U.S. President Donald Trump has directly asked Japanese Prime Minister Shinzo Abe to buy farm products worth a 'huge amount', Kyodo news agency reported on Tuesday, citing unidentified Japanese and U.S. government sources. *(Reuters)*

Malaysia

- **Eases on decline in motor vehicles sales amid high base effect.** June's distributive trade sales value edged down to 5.9% YoY (May: 6.8%), after firming up in the past two consecutive months. On a MoM basis, growth eased to 1.4% (May: 5.1%). Overall for 2Q19, distributive trade sales slowed to 6.1% YoY (1Q19: 6.6%), its lowest growth in the past ten quarters, dragged mainly by weaker performance of retail trade (2Q19: 7.5% Vs. 1Q19: 8.6%) and motor vehicle sales (2Q19: 2.9% Vs. 1Q19: 3.2%). This was in line with our forecast of a more moderate economic expansion in 2Q19 (4.3% Vs. 1Q19: 4.5%). *(See Economic Viewpoint: Malaysia Distributive Trade)*
- [NFCP needs RM21.6b investment from 2019-2023, says Lim](#) The National Fiberisation and Connectivity Plan (NFCP) led by the Minister of Communications and Multimedia will require a RM21.6b investment from 2019 to 2023, says Finance Minister Lim Guan Eng. *(The Edge Markets)*

Asia Pacific

- [EU hits Indonesia with new biodiesel levies, risking tit for tat](#) The European Union imposed tariffs on biodiesel from Indonesia to counter alleged subsidies to producers in the country, risking tit-for-tat retaliation by the Indonesian government. *(Bloomberg)*
- [Japan says South Korea failed to justify trade restriction](#) Japan hit back at South Korea on Tuesday for removing Tokyo's fast-track trade status, with the industry minister saying Seoul had failed to explain its reason for the latest move in an escalating trade row. *(Reuters)*

Americas

- [U.S. inflation accelerates; Fed rate cut still expected](#) U.S. consumer prices increased broadly in July, but the signs of an acceleration in inflation will likely do little to change market expectations that the Federal Reserve will cut interest rates again next month amid worsening trade tensions. *(Reuters)*
- [Argentina default concerns grow after market crash](#) Concerns about Argentina adding to its long list of sovereign defaults swirled on Tuesday, as investors continued to digest the heavy defeat of pro-reform President Mauricio Macri in the country's primary elections at the weekend. *(Reuters)*

Europe

- [UK jobs market shines, but clouds on horizon](#) Britain's labor market showed unexpected strength in the second quarter but economists said this could prove a high water mark, after figures last week showed the economy contracted as businesses braced for a potentially disruptive Brexit. *(Reuters)*
- [Merkel: No need for fiscal stimulus package right now](#) German Chancellor Angela Merkel said on Tuesday she did not see any need for a fiscal stimulus package to counter the effects of a slowing economy, but she added that Berlin would continue to pursue a high level of public investment. *(Reuters)*



14 August 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
CYPARK RESOURCES BHD	1.330	14.67	11.75	14.67	1.300
PUBLIC BANK BERHAD	20.740	15.35	13.86	12.76	20.460
MKH BHD	1.130	16.68	10.28	1.04	1.130
HONG LEONG FINANCIAL GROUP	17.260	16.75	11.39	3.33	17.100
UNISEM (M) BERHAD	2.040	17.99	10.24	0.33	2.040
SP SETIA BHD	1.790	18.61	11.21	0.76	1.790
HEVEABOARD BHD	0.560	19.16	15.45	10.14	0.560
PIE INDUSTRIAL BHD	1.110	20.54	14.49	4.68	1.100
PETRON MALAYSIA REFINING & M	5.600	20.94	16.90	17.51	5.600
MALAYSIA BUILDING SOCIETY	0.840	22.17	18.30	13.52	0.840
MUDA HOLDINGS BERHAD	1.560	22.60	20.03	15.42	1.550
STAR MEDIA GROUP BHD	0.595	22.81	16.15	6.27	0.595
THONG GUAN INDUSTRIES BHD	2.340	23.11	15.40	6.05	2.340
MALAYAN FLOUR MILLS BHD	0.605	23.15	19.86	20.63	0.595
MALAYAN BANKING BHD	8.560	23.79	21.97	18.71	8.510
SURIA CAPITAL HOLDINGS BHD	1.250	24.09	15.19	0.94	1.250
BRITISH AMERICAN TOBACCO BHD	22.800	24.27	22.93	45.41	22.200
HONG LEONG BANK BERHAD	17.400	24.41	22.31	22.57	16.820
TA GLOBAL BHD	0.235	24.73	16.56	1.81	0.235
PETRONAS DAGANGAN BHD	23.200	24.75	24.93	32.96	22.940
BIMB HOLDINGS BHD	4.090	25.93	25.02	17.09	4.050
GENTING BHD	6.050	26.85	20.06	5.96	6.030
MALAYSIAN PACIFIC INDUSTRIES	8.490	26.89	18.18	7.00	8.490
DELEUM BERHAD	0.850	26.95	19.96	10.39	0.840
TA ENTERPRISE BERHAD	0.620	27.08	19.86	2.54	0.620
CSC STEEL HOLDINGS BHD	0.995	27.55	21.46	9.51	0.995
PARAMOUNT CORP BHD	1.370	27.77	24.64	29.41	1.350
GADANG HOLDINGS BHD	0.725	28.00	24.89	22.52	0.715
KIMLUN CORP BHD	1.240	28.04	23.77	20.61	1.240
FORMOSA PROSONIC INDS BHD	1.650	28.16	19.56	2.17	1.650
UEM SUNRISE BHD	0.735	28.60	23.91	11.85	0.730
POH HUAT RESOURCES HLDGS BHD	1.450	28.79	25.76	20.61	1.440
CIMB GROUP HOLDINGS BHD	5.000	28.82	22.43	8.94	4.980
AMMB HOLDINGS BHD	3.980	29.02	25.91	19.91	3.980
BURSA MALAYSIA BHD	6.380	29.33	23.74	22.68	6.340
LINGKARAN TRANS KOTA HLDGS	4.450	29.49	20.14	7.44	4.450
CAHYA MATA SARAWAK BHD	2.660	29.83	26.42	8.54	2.660
PETRONAS GAS BHD	15.980	29.84	29.43	42.12	15.760

*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
TASEK CORP BHD	5.790	79.24	86.56	77.97	5.840
DATASONIC GROUP BHD	0.835	77.25	80.21	90.78	0.850
CARING PHARMACY GROUP BHD	2.070	74.01	81.12	97.04	2.070

*Only for stocks with market cap >RM300m

Source: Bloomberg

14 August 2019

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
PUBLIC BANK B-C32	0.045	8.98	3.45	0.01	0.040	29/11/2019
HANG SENG IND-7F	0.275	15.69	13.24	2.64	0.260	30/12/2019
PUBLIC BANK B-C30	0.005	16.24	15.90	10.43	0.005	23/10/2019
LAY HONG-WA	0.145	20.07	17.15	19.52	0.145	13/10/2021
HANG SENG IND-7D	0.060	20.94	13.49	4.16	0.055	30/12/2019
HANG SENG IND-5Q	0.055	20.97	13.77	3.84	0.045	27/9/2019
GENTING BHD-C67	0.035	21.32	15.29	1.55	0.035	31/10/2019
HANG SENG IND-7C	0.060	21.46	13.27	0.70	0.055	28/11/2019
HANG SENG IND-5T	0.040	23.40	15.67	3.12	0.035	30/10/2019
PUBLIC BANK B-C33	0.025	25.48	21.24	24.00	0.025	31/1/2020
HANG SENG IND-5P	0.035	25.58	19.06	8.47	0.030	27/9/2019
HARTALEGA HOL-C26	0.085	26.30	24.81	25.32	0.075	29/11/2019
HANG SENG IND-7E	0.145	26.48	17.76	0.89	0.145	30/12/2019
GFM SERVICES BHD-WC	0.105	27.66	21.72	12.15	0.100	28/1/2022
ISHARES FTSE-C42	0.255	27.82	22.50	19.68	0.220	31/12/2019
GENTING MALAY-C52	0.100	27.87	22.20	2.26	0.100	30/9/2019
GENTING MALAY-C53	0.010	27.90	24.17	8.72	0.010	3/9/2019
GENTING BHD-C71	0.040	28.12	25.32	10.93	0.040	31/1/2020
GENTING BHD-C68	0.040	28.42	22.33	7.38	0.035	29/11/2019
HANG SENG IND-5S	0.020	28.79	23.59	13.10	0.015	30/10/2019

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	0.380	84.83	86.93	94.90	0.390	5/7/2023
HANG SENG IND-6Q	0.665	81.77	89.00	95.55	0.750	27/9/2019
HANG SENG IND-6T	1.050	80.71	87.87	95.50	1.120	30/10/2019
HANG SENG IND-6P	0.365	79.19	87.97	95.73	0.445	27/9/2019
HANG SENG IND-6S	0.575	78.61	85.24	92.70	0.655	30/10/2019
HANG SENG IND-8C	1.240	75.10	84.23	92.41	1.240	28/11/2019
GREEN PACKET BHD-WB	0.160	72.86	78.48	91.49	0.160	24/11/2023

Source: Bloomberg

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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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