

15 August 2019

By Raymond Choo Ping Khoo | pkchoo@kenanga.com.my

Research Highlights

BURSA	14-Aug	Day chg	% chg
KLCI	1,600.3	7.43	0.47%
FTSE EMAS	11,336.0	45.6	0.40%
FTSE Smallcap	13,056.2	111.32	0.86%
FTSE MESDAQ	4,641.9	28.2	0.61%
KLSE Mkt Cap (RM'b)	1,615.0	5.7	0.35%

NEWS HIGHLIGHTS

- Mega First calls off mixed development project in Perak
- Tan Aik Kiong takes helm at Innoprise Plantations from brother
- Cypark bags RM12.5m road construction contract
- Fajarbaru forms JV with China's Gezhouba Group for solar plant bid
- ManagePay appointed as authorised installer for MYTV's customer premises equipment

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	56.01	49.13
Local Retail	17.69	22.79
Foreign	-73.70	28.08

INDICES	14-Aug	Day chg	% chg
Dow Jones	25,479.4	-800.5	-3.05%
S&P 500	2,840.6	-85.7	-2.93%
NASDAQ	7,773.9	-242.4	-3.02%
FTSE-100	7,147.9	-103.0	-1.42%
Nikkei 225	20,655.1	199.7	0.98%
SHCOMP	2,808.9	11.7	0.42%
HSI	25,302.3	21.0	0.08%
STI	3,147.6	0.9	0.03%
KOSPI	1,938.4	12.5	0.65%
TWSE	10,427.7	65.1	0.63%
JCI	6,267.3	56.4	0.91%
SET	1,619.5	-0.8	-0.05%

MACRO BITS

- No concessions from China as Trump postpones some tariffs: U.S. officials
- U.S. Treasury bond curve inverts for first time since 2007 in recession warning
- Trump says any Fed action is 'very, very late'
- Malaysia second-quarter GDP growth pace seen picking up, bucking regional trend: Reuters poll
- Short-term rates remain steady on BNM's operations
- China's economy worsens in July, industrial growth at 17-year low as trade war escalates
- Japan, South Korea vice foreign ministers to meet this week: Kyodo
- Yield curve inversion shows Fed needs to cut rates: Trump adviser
- Trade uncertainty is seeping into the U.S. labor market
- Euro zone GDP slows in second-quarter as growth in Germany shrinks
- Boris Johnson: Brexit opponents 'collaborating' with EU

FOREX	14-Aug	13-Aug	% chg
USD/MYR:	4.1890	4.1960	-0.17%
EUR/USD:	1.1180	1.1216	-0.32%
GBP/USD:	1.2095	1.2086	0.07%
USD/YEN:	106.14	105.22	0.87%
USD/SGD:	1.3871	1.3876	-0.04%
USD/HKD:	7.8452	7.8469	-0.02%

KEY STATS

KLCI Spot			
Vol (m shares):	2,406.7	2,194.7	9.66%
Value (RMm):	1,650.8	1,691.3	-2.40%
KLCI Future			
August-19	1,595.0	1,586.5	0.54%
September-19	1,588.0	1,579.5	0.54%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	865.5	876.3	-1.23%
SoyOil (USc/lb)	29.3	29.3	0.00%
Gold (US\$/troy oz)	1,521.6	1,507.9	0.91%
Nymex crude oil (US\$/bbl)	55.2	57.1	-3.27%
Latex (RM/kg)	4.39	4.39	0.00%
Tin (US\$/mt)	17,184.0	17,150.0	0.20%

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: MISC, PPB (Wilmar), PBBANK, SPSETIA
- On Our Technical Watch: ELKDESA, WELLCAL
- Economic Viewpoint: Malaysia Consumer Price Index

#	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	PCEM	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	PCEM	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

- **Mega First calls off mixed development project in Perak**

Mega First Corp Bhd announced that two of its units have called off a mixed development project located in Kinta, Perak in joint venture with Menteri Besar Incorporated (Perak) but that an indirect subsidiary has been given the option to secure a significant plot of land for a solar photovoltaic plant. In a filing with Bursa Malaysia, Mega First said its indirect subsidiary Teratai ANR Sdn Bhd (TASB) and Teratai Kembara Sdn Bhd (TKSB) entered into a "Deed of Revocation" on Aug 13 with Amanjaya Natural Resources Sdn Bhd (ANR), an indirect wholly-owned subsidiary of Menteri Besar Incorporated (Perak), to revoke and rescind the second supplementary agreement and option agreement, both dated May 8, 2018. *(The Edge)*

- **Tan Aik Kiong takes helm at Innoprise Plantations from brother**

TSH Resources Bhd group executive director Tan Aik Kiong has taken over the helm at Innoprise Plantations Bhd, replacing his brother Datuk Kelvin Tan Aik Pen, who has resigned to have more time to pursue personal interest. Aik Kiong, 56, has been the alternate director to Aik Pen since Dec 16, 2014. He worked with Prudential Bache Ltd, a brokerage and commission house, in 1986, and subsequently with Ameroid Services Pte Ltd, an independent warehousing company in Singapore. *(The Edge)*

- **Cypark bags RM12.5m road construction contract**

Cypark Resources Bhd has bagged a contract worth RM12.5m from the Department of National Solid Waste Management to design and build the access road to the integrated sanitary landfill site at Ladang Tanah Merah, Negeri Sembilan. The project is to be completed by Aug 25 next year, which is 12 months from the date of site possession on Aug 26 this year, said Cypark in a filing with Bursa Malaysia. *(The Edge)*

- **Fajarbaru forms JV with China's Gezhouba Group for solar plant bid**

Fajarbaru Builder Group Bhd and its wholly-owned Potential Region Sdn Bhd have inked a joint venture agreement with China's Gezhouba Group Overseas Investment Co Ltd (CGG) to bid for the construction of a large scale solar photovoltaic (LSS3) energy generating facility here. Fajarbaru said in a stock exchange filing that both companies will be jointly submitting a tender to the Energy Commission of Malaysia (EC) in the name of Fajarbaru-Gezhouba-Potential Region Consortium. Apart from building the facility, the JV consortium will also deliver solar photovoltaic energy to Tenaga Nasional Bhd with total capacity of 40MWac in Tanjung Agas Industrial Area, Mukim Pekan 1, Pahang. *(The Edge)*

- **ManagePay appointed as authorised installer for MYTV's customer premises equipment**

ManagePay Systems Bhd has been appointed as an authorised installer to manage the delivery and installation of MYTV Broadcasting Sdn Bhd's customer premises equipment (CPE) for Bantuan Sara Hidup Rakyat (BSHR) recipients. In a filing with Bursa Malaysia, ManagePay said it accepted a letter of appointment (LoA) from MYTV for the project, whose scope of service includes identifying qualified BSHR recipients, and delivering and installing MYTV "Return to Sender" CPE comprising Digital Terrestrial Television (DTT) and Direct-To-Home (DTH) Set-top Boxes, UHF Antenna or Satellite Dish, RG6 cables and accessories at the respective BSHR recipients' houses. ManagePay said upon receiving this LoA, it can commence the solicitation of BSHR recipients to receive the free MYTV CPE while installation works shall start from Sept 1, 2019 and will be completed by Aug 31, 2020. *(The Edge)*



Macro Bits

Global

- [No concessions from China as Trump postpones some tariffs: U.S. officials](#) China made no concessions to the United States after President Donald Trump postponed threatened tariffs on some Chinese imports until mid-December, senior U.S. officials said on Wednesday, adding that talks aimed at resolving the trade fight would continue and markets should be patient. *(Reuters)*
- [U.S. Treasury bond curve inverts for first time since 2007 in recession warning](#) The U.S. Treasury bond yield curve inverted on Wednesday for the first time since 2007, in a sign of investor concern that the world's biggest economy could be heading for recession. *(Reuters)*
- [Trump says any Fed action is 'very, very late'](#) U.S. President Donald Trump on Wednesday moved to blame the Federal Reserve for being too slow to change its monetary policy and urging it to act more swiftly, after the U.S. central bank cut short-term interest rates last month. *(Reuters)*

Malaysia

- [Malaysia second-quarter GDP growth pace seen picking up, bucking regional trend: Reuters poll](#) Malaysia's economic growth pace rose in the second quarter, helped by slightly stronger exports and manufacturing, a Reuters poll showed. The median forecast from the poll of 13 economists was for annual growth of 4.8% in April-June, faster than the first quarter's 4.5% pace. *(Reuters)*
- [Short-term rates remain steady on BNM's operations](#) Short-term interbank rates remained steady today on Bank Negara Malaysia's (BNM) operations to absorb surplus liquidity from the financial system. The surplus in the conventional system decreased to RM27.51b from RM29.63b this morning, while in the Islamic system, it slipped to RM13.81b from RM19.86b. *(The Edge Markets)*

Asia Pacific

- [China's economy worsens in July, industrial growth at 17-year low as trade war escalates](#) China's economy stumbled more sharply than expected in July, with industrial output growth cooling to a more than 17-year low, as the intensifying U.S. trade war took a heavier toll on businesses and consumers. *(Reuters)*
- [Japan, South Korea vice foreign ministers to meet this week: Kyodo](#) Japanese and South Korean vice foreign ministers will meet this week to discuss the issue of forced World War Two laborers, Kyodo News reported on Wednesday, amid an escalating diplomatic and economic feud between the two Asian countries. *(Reuters)*

Americas

- [Yield curve inversion shows Fed needs to cut rates: Trump adviser](#) The inversion of the U.S. Treasury yield curve is yet another signal that the Federal Reserve needs to cut interest rates, White House trade adviser Peter Navarro said on Wednesday. *(Reuters)*
- [Trade uncertainty is seeping into the U.S. labor market](#) Uncertainties stemming from the U.S.-China trade conflict appear to be filtering into a broader set of American industries over the last few months amid rising concerns on the economic outlook. *(Bloomberg)*

Europe

- [Euro zone GDP slows in second-quarter as growth in Germany shrinks](#) The euro zone's GDP barely grew in the second quarter of 2019, data showed on Wednesday, as economies across the bloc lost steam and the largest, Germany, contracted thanks to a global slowdown driven by trade conflicts and uncertainty over Brexit. *(Reuters)*
- [Boris Johnson: Brexit opponents 'collaborating' with EU](#) The prime minister said the EU had become less willing to compromise on a new deal with the UK because of the opposition to leaving in Parliament. He said this increased the likelihood of the UK being "forced to leave with a no-deal" in October. *(BBC)*



15 August 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
MKH BHD	1.130	16.68	10.28	1.04	1.120
HONG LEONG FINANCIAL GROUP	17.260	16.75	11.39	3.33	17.100
SP SETIA BHD	1.760	16.93	9.63	0.46	1.760
PUBLIC BANK BERHAD	20.800	17.74	16.98	19.52	20.460
UNISEM (M) BERHAD	2.040	17.99	10.24	0.33	2.040
HEVEABOARD BHD	0.560	19.16	15.45	10.14	0.555
PIE INDUSTRIAL BHD	1.110	20.54	14.49	4.68	1.100
PETRONAS DAGANGAN BHD	22.880	20.80	19.27	14.55	22.800
SURIA CAPITAL HOLDINGS BHD	1.230	21.80	13.26	0.70	1.210
MALAYSIA BUILDING SOCIETY	0.840	22.17	18.30	13.52	0.840
CYPARK RESOURCES BHD	1.350	23.97	25.52	48.08	1.300
PETRON MALAYSIA REFINING & M	5.630	24.70	22.93	35.98	5.580
MALAYSIAN PACIFIC INDUSTRIES	8.410	25.17	16.22	4.64	8.400
BIMB HOLDINGS BHD	4.080	25.40	24.30	15.48	4.050
HONG LEONG BANK BERHAD	17.420	25.43	23.98	28.64	16.820
BRITISH AMERICAN TOBACCO BHD	22.900	25.48	24.98	53.75	22.200
FORMOSA PROSONIC INDS BHD	1.640	25.90	17.07	1.52	1.640
MALAYAN FLOUR MILLS BHD	0.610	26.21	24.44	31.23	0.595
PLENITUDE BHD	1.330	26.50	20.26	4.18	1.330
GENTING BHD	6.040	26.62	19.82	5.71	6.030
LINGKARAN TRANS KOTA HLDGS	4.400	26.98	17.57	4.99	4.400
TA ENTERPRISE BERHAD	0.620	27.08	19.86	2.54	0.620
KUMPULAN PERANGSANG SELANGOR	0.860	27.23	25.40	14.65	0.860
PARAMOUNT CORP BHD	1.370	27.77	24.64	29.41	1.350
AMMB HOLDINGS BHD	3.960	27.98	24.59	17.32	3.960
SHANGRI-LA HOTELS (MAL) BHD	4.870	28.11	24.75	15.37	4.870
HEXTAR GLOBAL BHD	0.695	28.78	19.49	0.78	0.695
STAR MEDIA GROUP BHD	0.600	29.53	27.99	44.43	0.595
YEE LEE CORPORATION	2.120	29.55	24.28	1.77	2.070
MALAYAN BANKING BHD	8.590	29.75	31.10	46.52	8.510
CAHYA MATA SARAWAK BHD	2.660	29.83	26.42	8.54	2.660

*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
DATASONIC GROUP BHD	0.900	82.31	85.97	95.95	0.950
CARING PHARMACY GROUP BHD	2.150	79.87	86.54	98.47	2.150
TASEK CORP BHD	5.790	79.24	86.56	77.97	5.840
BERJAYA LAND BHD	0.205	72.68	82.56	98.72	0.215
MAGNA PRIMA BHD	1.200	71.95	75.58	91.60	1.200
AMCORP PROPERTIES BHD	0.580	70.81	79.67	97.11	0.580

*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-7F	0.260	15.42	12.85	2.29	0.245	30/12/2019
HANG SENG IND-7D	0.050	20.32	12.84	3.33	0.050	30/12/2019
HANG SENG IND-5Q	0.045	20.60	13.35	3.28	0.045	27/9/2019
HANG SENG IND-7C	0.055	21.15	12.95	0.61	0.055	28/11/2019
HANG SENG IND-5T	0.035	23.03	15.23	2.67	0.035	30/10/2019
PETRONAS CHEM-C31	0.010	25.68	18.31	0.69	0.010	31/12/2019
K-ONE TECHNOLOGY BHD -WC	0.075	26.23	22.50	21.57	0.075	30/12/2021
HANG SENG IND-7E	0.140	26.27	17.52	0.83	0.135	30/12/2019
HANG SENG IND-5P	0.045	27.69	23.04	29.41	0.030	27/9/2019
GENTING MALAY-C52	0.100	27.87	22.20	2.26	0.100	30/9/2019
HANG SENG IND-5S	0.020	28.79	23.59	13.10	0.015	30/10/2019
LAY HONG-WA	0.150	28.86	29.87	44.08	0.145	13/10/2021
AIRASIA GROUP-C87	0.065	28.95	31.38	38.63	0.055	31/1/2020
HANG SENG IND-5N	0.010	29.40	21.93	16.02	0.005	27/9/2019

Source: Bloomberg

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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	0.420	87.51	89.82	97.13	0.445	5/7/2023
HANG SENG IND-6Q	0.660	81.00	87.83	92.51	0.750	27/9/2019
HANG SENG IND-6R	1.150	80.57	86.35	87.69	1.180	27/9/2019
GREEN PACKET BHD-WB	0.175	78.42	84.78	96.35	0.180	24/11/2023
HANG SENG IND-6P	0.355	76.61	83.95	85.44	0.445	27/9/2019
HANG SENG IND-6S	0.560	76.00	81.32	82.36	0.655	30/10/2019
HANG SENG IND-8C	1.220	73.35	81.41	84.10	1.240	28/11/2019

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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Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my