

16 August 2019

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## Research Highlights

BURSA	15-Aug	Day chg	% chg
KLCI	1,600.3	-0.02	0.00%
FTSE EMAS	11,317.5	-18.5	-0.16%
FTSE Smallcap	12,937.5	-118.69	-0.91%
FTSE MESDAQ	4,591.6	-50.3	-1.08%
KLSE Mkt Cap (RM'b)	1,609.8	-5.2	-0.32%

### NEWS HIGHLIGHTS

- Petron partners with BookDoc in reward programme
- HSS engineers bids for water projects in Sabah, Sarawak
- HeiTech Padu's unit eyes RM20.0m funding for its MyPay platform
- Acoustech's unit to develop properties in Johor with RM44.1m GDV
- The We Company files registration statement for IPO with SEC

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	144.25	50.47
Local Retail	52.58	21.06
Foreign	-196.83	28.47

INDICES	15-Aug	Day chg	% chg
Dow Jones	25,579.4	100.0	0.39%
S&P 500	2,847.6	7.0	0.25%
NASDAQ	7,766.6	-7.3	-0.09%
FTSE-100	7,067.0	-80.9	-1.13%
Nikkei 225	20,405.7	-249.5	-1.21%
SHCOMP	2,815.8	6.9	0.25%
HSI	25,495.5	193.2	0.76%
STI	3,126.1	-21.5	-0.68%
KOSPI	N.A.	N.A.	N.A.
TWSE	10,327.1	-100.6	-0.96%
JCI	6,257.6	-9.7	-0.16%
SET	1,604.0	-15.4	-0.95%

### MACRO BITS

- China to counter latest U.S. tariffs as Trump vows deal on U.S. terms
- WTO quarterly trade growth indicator drops from May
- 9 key countries are on the verge of recession, driving fears the U.S. could follow
- No bailout by govt if third national car project fails — MITI
- Malaysia equity crowdfunding, P2P financing platforms raised RM432.0m as at June 2019
- Exports fall less than expected in July, trade balance back to deficit (*See Economic Viewpoint: Indonesia External Trade*)
- Hong Kong unveils USD2.4b economic support package as protests weigh
- Indonesia plans 'surprises' in easing foreign ownership cap: Investment chief
- U.S. retail sales surge in July in boost to economy
- U.S. manufacturing output drops in July
- Online spending helps UK retail sales grow unexpectedly in July

FOREX	15-Aug	14-Aug	% chg
USD/MYR:	4.1945	4.1890	0.13%
EUR/USD:	1.1154	1.1180	-0.23%
GBP/USD:	1.2094	1.2095	-0.01%
USD/YEN:	105.76	106.14	-0.36%
USD/SGD:	1.3903	1.3871	0.23%
USD/HKD:	7.8425	7.8452	-0.03%

### KEY STATS

KLCI Spot			
Vol (m shares):	1,941.1	2,406.7	-19.35%
Value (RMm):	1,851.1	1,650.8	12.14%
KLCI Future			
August-19	1,586.0	1,595.0	-0.56%
September-19	1,580.0	1,588.0	-0.50%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	858.0	865.5	-0.87%
SoyOil (USc/lb)	29.2	29.3	-0.34%
Gold (US\$/troy oz)	1,525.1	1,521.6	0.23%
Nymex crude oil (US\$/bbl)	54.5	55.2	-1.38%
Latex (RM/kg)	4.39	4.40	-0.23%
Tin (US\$/mt)	17,188.5	17,184.0	0.03%

### IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: CARLSBG, CIMB Niaga, DIALOG, IOICORP
- Company Update: ASTRO, GENM, MAXIS, SKPRES
- On Our Technical Watch: ALLIANZ, SERBADK
- Rating Summary
- Economic Viewpoint: Indonesia External Trade

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	GENM	3.07	-1.3	26.60	SIMEPLT	4.81	3.0	2.08	HLBANK	17.04	-2.2	1.31
2	PBBANK	20.80	0.0	11.00	MAXIS	5.46	1.3	1.88	PCHEM	7.20	-1.5	6.79
3	DIALOG	3.52	-0.3	10.70	KLK	23.90	1.2	0.36	GENM	3.07	-1.3	26.60
4	SIME	2.17	0.0	10.20	AXIATA	5.00	0.8	3.34	HLFG	17.06	-1.2	0.26
5	MAYBANK	8.55	-0.5	8.88	TENAGA	13.72	0.7	3.59	MISC	7.18	-1.0	2.04
6	RHBBANK	5.52	-0.7	8.64	AIRPORT	8.39	0.7	0.77	PMETAL	4.76	-0.8	2.05
7	CIMB	5.05	-0.8	7.13	IOICORP	4.23	0.7	2.65	CIMB	5.05	-0.8	7.13
8	PCHEM	7.20	-1.5	6.79	IHH	5.68	0.4	1.64	RHBBANK	5.52	-0.7	8.64
9	GENTING	6.04	0.0	4.66	NESTLE	147.70	0.3	0.06	AMBANK	3.94	-0.5	2.18
10	DIGI	4.99	-0.2	4.43	GENTING	6.04	0.0	4.66	MAYBANK	8.55	-0.5	8.88

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Petron partners with BookDoc in reward programme**

Petron Malaysia Refining & Marketing Bhd is teaming up with online healthcare platform BookDoc to be the latter's Activ Reward partner. In a joint statement, both parties said for a daily average of 10,000 steps a month, BookDoc users can redeem 450 Petron Miles points (equivalent to RM5). They said users are required to pump at least RM50 at any Petron station to claim the points. "We are excited to partner with BookDoc to fuel more excitement for its users by offering more benefits and rewards through the Petron Miles program just by keeping a healthier lifestyle," Petron Malaysia's head of retail and commercial business Choong Kum Choy said. *(The Edge)*

- **HSS engineers bids for water projects in Sabah, Sarawak**

Engineering and project management consultant HSS Engineers Bhd (HEB Group), through its subsidiary SMHB Engineering, is participating in recently released tenders for water infrastructure projects in Sabah and Sarawak, boosting its order book exceeding RM500.0m as at June 30, 2019. Among the initiatives is Sarawak's water grid project to improve water supply services, especially in rural areas, it said in a statement. HEB Group executive vice-chairman Tan Sri Ir. Kuna Sittampalam said with the increasing concern over water supply in the country, plans were being implemented by various authorities such as the Ministry of Water, Land and Natural Resources, National Water Services Commission, Pengurusan Aset Air Bhd and various state governments to ensure sustainable and constant supply of water. *(Bernama)*

- **HeiTech Padu's unit eyes RM20.0m funding for its MyPay platform**

HeiTech Padu Bhd's unit Dapat Vista (M) Sdn Bhd is looking for up to RM20.0m to fund technology developments and marketing activities for its e-government service payment platform MyPay. "From a business and investment perspective, we can always do with more investment and funding to grow and market our product," MyPay chief executive officer Nick Liew told a press conference at the launch of the platform. Liew said that at present, MyPay's funding is provided by HeiTech Padu. He said the new funding would be used to look into developing more advanced technology, in particular security development. In addition, the group would be looking to use the additional funding to conduct marketing exercises to reach a wider consumer base. *(The Edge)*

- **Acoustech's unit to develop properties in Johor with RM44.1m GDV**

Acoustech Bhd's unit, Teras Eco Sdn Bhd and its partner, will develop 66 units of double and three-storey shop offices in Johor with a gross development value of RM44.1m. In a filing with Bursa Malaysia, Teras Eco on Thursday inked a joint venture agreement with Sun Rock Development Sdn Bhd, a unit of Protasco Bhd. The gross development cost for the project in Johor Bahru attributable to and to be borne by the Teras Eco is RM22.1m, while funds for the project will be internally generated or bank borrowings. Under the project, Sun Rock will construct 17 units of shop offices. *(Bernama)*

- **The We Company files registration statement for IPO with SEC**

The We Company has filed a registration statement on Form S-1 with the Securities and Exchange Commission (SEC) relating to an initial public offering of its Class A common stock. The number of shares to be offered and the price range for the proposed offering have not yet been determined, according to a statement. J.P. Morgan, Goldman Sachs & Co LLC, BofA Merrill Lynch, Barclays, Citigroup, Credit Suisse, HSBC, UBS Investment Bank and Wells Fargo Securities will serve as joint book-running managers for the offering. *(The Edge)*

## Macro Bits

### Global

- [China to counter latest U.S. tariffs as Trump vows deal on U.S. terms](#) China on Thursday vowed to counter the latest U.S. tariffs on USD300.0b of Chinese goods but called on the United States to meet it halfway on a potential trade deal, as U.S. President Donald Trump said any pact would have to be on America's terms. *(Reuters)*
- [WTO quarterly trade growth indicator drops from May](#) The World Trade Organization (WTO) said on Thursday that its latest economic barometer showed that the growth in merchandise trade was likely to weaken further in the third quarter. *(Reuters)*
- [9 key countries are on the verge of recession, driving fears the U.S. could follow](#) Nine major economies around the world are in recession or on the verge of one, raising fears that a global economic slowdown could help tip the United States into an economic contraction as well. *(The Washington Post)*

### Malaysia

- [No bailout by govt if third national car project fails — MITI](#) The government will not bail out DreamEDGE Sdn Bhd, the anchor company of the third national car project, if it fails, says the International Trade and Industry Ministry. *(The Edge Markets)*
- [Malaysia equity crowdfunding, P2P financing platforms raised RM432.0m as at June 2019](#) Malaysia equity crowdfunding (ECF) and peer-to-peer (P2P) financing platforms have collectively raised RM432.0m as at June this year, according to Securities Commission Malaysia (SC) chairman Datuk Syed Zaid Albar. *(The Edge Markets)*

### Asia Pacific

- **Exports fall less than expected in July, trade balance back to deficit.** Indonesia's exports continued to fall in July, declining by 5.1% YoY (Jun: -8.9%) far lower than the consensus estimate of -11.2% (Bloomberg). On a MoM basis, exports rebounded sharply by 31.0% (Jun: -20.5%) to USD15.5b, the highest in nine months. Meanwhile, imports fell sharply by 15.2% YoY to USD15.5b after a brief turnaround in the preceding month (+2.0% YoY), but lower than consensus estimate (-17.8% YoY). Consequently, the trade balance turned to deficit of USD63.4m (Jun: +USD0.3b), much lower than consensus deficit estimate of USD0.4b. Overall, total trade extended its fall albeit higher at -10.5% YoY (Jun: -3.8%) indicating a weaker 2H19 trade outlook going forward. *(See Economic Viewpoint: Indonesia External Trade)*
- [Hong Kong unveils USD2.4b economic support package as protests weigh](#) Hong Kong's government announced an economic support package worth HKD19.1b (USD2.4b) on Thursday as escalating political protests and the prolonged Sino-U.S. trade war weigh heavily on the Asian financial center. *(CNBC)*
- [Indonesia plans 'surprises' in easing foreign ownership cap: Investment chief](#) Indonesia will unveil plans for increasing how much foreign investors can own of businesses in some sectors by year-end, the head of the country's investment board told Reuters. *(Channel News Asia)*

### Americas

- [U.S. retail sales surge in July in boost to economy](#) U.S. retail sales surged in July as consumers bought a range of goods even as they cut back on motor vehicle purchases, which could help to assuage financial markets' concerns that the economy was heading into recession. *(Reuters)*
- [U.S. manufacturing output drops in July](#) U.S. manufacturing output dropped in July, ending a run of two months of growth. The Federal Reserve on Thursday said manufacturing production shrank 0.4% last month, a steeper drop than the 0.1% decline expected by analysts in a Reuters poll. *(Reuters)*

### Europe

- [Online spending helps UK retail sales grow unexpectedly in July](#) British retail sales unexpectedly edged up in July, helped by the strongest growth in online spending in three years, as consumers continued to support the economy before the Oct. 31 Brexit deadline. *(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
SP SETIA BHD	1.670	13.10	6.53	0.17	1.630
HONG LEONG FINANCIAL GROUP	17.060	14.34	8.95	1.31	16.940
MKH BHD	1.120	15.19	8.95	0.71	1.110
HEVEABOARD BHD	0.550	16.65	12.61	5.93	0.540
UNISEM (M) BERHAD	2.030	17.43	9.68	0.26	2.020
PUBLIC BANK BERHAD	20.800	17.74	16.98	19.52	20.360
MALAYSIA BUILDING SOCIETY	0.825	18.36	13.69	6.06	0.825
PIE INDUSTRIAL BHD	1.090	18.91	12.79	3.14	1.070
HONG LEONG BANK BERHAD	17.040	19.92	16.45	8.86	16.820
PETRONAS DAGANGAN BHD	22.840	20.37	18.67	13.17	22.700
CYPARK RESOURCES BHD	1.330	21.45	21.71	30.29	1.300
MALAYAN FLOUR MILLS BHD	0.585	21.59	18.50	15.60	0.575
BIMB HOLDINGS BHD	4.000	21.63	19.25	7.27	3.950
KUMPULAN PERANGSANG SELANGOR	0.820	22.34	19.14	6.68	0.815
FORMOSA PROSONIC INDS BHD	1.630	23.84	14.93	1.05	1.610
TA ENTERPRISE BERHAD	0.615	23.90	15.99	1.16	0.615
PETRON MALAYSIA REFINING & M	5.620	24.28	22.33	32.36	5.550
BRITISH AMERICAN TOBACCO BHD	22.640	24.39	23.17	33.69	22.200
MALAYSIAN RESOURCES CORP BHD	0.800	24.62	20.16	7.54	0.800
MALAYSIAN PACIFIC INDUSTRIES	8.400	24.95	15.98	4.36	8.380
LINGKARAN TRANS KOTA HLDGS	4.370	25.57	16.17	3.84	4.320
DELEUM BERHAD	0.820	25.98	21.17	16.65	0.800
PLENITUDE BHD	1.330	26.50	20.26	4.18	1.300
GENTING BHD	6.040	26.62	19.82	5.71	5.980
MALAYAN BANKING BHD	8.550	26.75	26.46	27.62	8.510
AMMB HOLDINGS BHD	3.940	26.94	23.25	14.48	3.900
TA GLOBAL BHD	0.230	27.32	23.52	18.80	0.230
MUDA HOLDINGS BERHAD	1.560	27.35	26.89	28.81	1.550
CAHYA MATA SARAWAK BHD	2.620	27.70	23.52	4.94	2.590
APEX HEALTHCARE BHD	2.000	27.77	19.64	8.94	1.980
PARAMOUNT CORP BHD	1.370	27.77	24.64	29.41	1.340
SHANGRI-LA HOTELS (MAL) BHD	4.860	27.79	24.31	14.21	4.860
HEXTAR GLOBAL BHD	0.690	27.80	18.38	0.68	0.690
AEON CREDIT SERVICE M BHD	15.880	27.97	23.18	11.56	15.800
CSC STEEL HOLDINGS BHD	0.990	28.18	23.50	16.98	0.980
UEM SUNRISE BHD	0.720	28.29	24.56	16.99	0.710
KECK SENG (MALAYSIA) BHD	4.460	28.86	22.81	10.29	4.440
HONG LEONG INDUSTRIES BHD	10.540	28.90	24.56	11.37	10.500
SURIA CAPITAL HOLDINGS BHD	1.250	29.06	24.11	28.33	1.210
WAH SEONG CORP BHD	0.660	29.73	22.60	9.20	0.655
ALLIANZ MALAYSIA BHD	13.360	29.74	21.30	4.30	13.360
BURSA MALAYSIA BHD	6.310	29.87	25.95	24.17	6.310
RAPID SYNERGY BHD	5.430	29.92	23.67	11.18	5.430

\*Only for stocks with market cap &gt;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	0.905	82.63	86.31	96.19	0.950
CARING PHARMACY GROUP BHD	2.200	82.53	88.80	98.95	2.200
TASEK CORP BHD	5.800	79.98	87.40	85.07	5.840
MAGNA PRIMA BHD	1.220	73.76	78.22	94.53	1.230
BERJAYA LAND BHD	0.205	72.68	82.56	98.72	0.215

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
MALAYAN BANKI-C54	0.025	8.40	5.68	0.20	0.020	31/10/2019
HANG SENG IND-5Q	0.055	22.11	16.18	20.51	0.035	27/9/2019
HANG SENG IND-7F	0.330	22.17	24.56	48.77	0.210	30/12/2019
MALAYAN FLOUR MILLS BHD-WC	0.275	22.33	15.84	4.13	0.270	23/1/2024
HANG SENG IND-7C	0.060	22.36	15.28	16.35	0.040	28/11/2019
HANG SENG IND-5T	0.040	24.32	17.80	20.01	0.025	30/10/2019
HANG SENG IND-7D	0.070	25.11	21.39	39.53	0.040	30/12/2019
K-ONE TECHNOLOGY BHD -WC	0.075	26.23	22.50	21.57	0.070	30/12/2021
HARALEGA HOL-C26	0.085	26.30	24.81	25.32	0.075	29/11/2019
MALAYSIAN RESOURCES-WB	0.215	26.45	21.34	9.99	0.215	29/10/2027
HANG SENG IND-5P	0.040	27.27	22.42	25.10	0.025	27/9/2019
STRAITS INTER LOGISTIC-WA	0.095	27.78	23.94	15.34	0.090	10/8/2022
GENTING MALAY-C52	0.100	27.87	22.20	2.26	0.090	30/9/2019
POS MALAYSIA-C33	0.020	28.66	17.64	0.32	0.020	31/10/2019
AIRASIA GROUP-C87	0.065	28.95	31.38	38.63	0.055	31/1/2020
HANG SENG IND	0.165	29.19	23.24	32.80	0.105	30/12/2019
GENTING MALAY-C53	0.010	29.21	26.27	18.59	0.010	3/9/2019
MY EG SERVICE-C65	0.065	29.90	21.56	1.84	0.060	30/9/2019

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	0.430	88.08	90.41	97.53	0.445	5/7/2023
GREEN PACKET BHD-WB	0.175	78.42	84.78	96.35	0.180	24/11/2023
DRB-HICOM BHD-C83	0.200	71.57	70.34	82.99	0.210	29/5/2020
HANG SENG IND-6Q	0.590	70.85	72.87	55.47	0.780	27/9/2019

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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Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

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