

By **Adrian Ng** | adrian.ng@kenanga.com.my

Research Highlights

BURSA	22-Aug	Day chg	% chg
KLCI	1,602.5	7.88	0.49%
FTSE EMAS	11,338.8	36.4	0.32%
FTSE Smallcap	13,039.6	-25.30	-0.19%
FTSE MESDAQ	4,647.6	41.5	0.90%
KLSE Mkt Cap (RM'b)	1,615.6	5.8	0.36%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	114.13	49.33
Local Retail	12.73	23.93
Foreign	-126.86	26.74

INDICES	22-Aug	Day chg	% chg
Dow Jones	26,252.2	49.5	0.19%
S&P 500	2,923.0	-1.5	-0.05%
NASDAQ	7,991.4	-28.8	-0.36%
FTSE-100	7,128.2	-75.8	-1.05%
Nikkei 225	20,628.0	9.4	0.05%
SHCOMP	2,883.4	3.1	0.11%
HSI	26,048.7	-221.3	-0.84%
STI	3,127.7	5.2	0.17%
KOSPI	1,951.0	-13.6	-0.69%
TWSE	10,529.8	4.0	0.04%
JCI	6,239.2	-13.7	-0.22%
SET	1,633.6	-4.7	-0.29%

FOREX	22-Aug	21-Aug	% chg
USD/MYR:	4.1888	4.1772	0.28%
EUR/USD:	1.1069	1.1102	-0.30%
GBP/USD:	1.2139	1.2121	0.15%
USD/YEN:	106.45	106.45	0.00%
USD/SGD:	1.3869	1.3830	0.28%
USD/HKD:	7.8404	7.8412	-0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	2,040.4	1,997.7	2.14%
Value (RMm):	1,752.0	1,621.6	8.04%
KLCI Future			
August-19	1,600.0	1,585.5	0.91%
September-19	1,593.0	1,580.0	0.82%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	856.0	860.5	-0.52%
SoyOil (US\$/lb)	28.7	28.9	-0.76%
Gold (US\$/troy oz)	1,502.3	1,509.6	-0.48%
Nymex crude oil (US\$/bbl)	55.4	55.7	-0.59%
Latex (RM/kg)	4.37	4.39	-0.57%
Tin (US\$/mt)	N.A.	16,222.0	N.A.

NEWS HIGHLIGHTS

- Allianz 2Q net profit up 31% on higher gross earned premiums
- Kelington 2Q profit up 15%, proposes one sen dividend
- Perdana Petroleum slips into the red in 2Q despite higher revenue
- Engtex 2Q net profit down 84% on softer demand and higher costs
- Tasco is well prepared for good or bad effects of US-China trade war

MACRO BITS

- Iran ready to work on French nuclear deal proposals, does not want war: foreign minister
- Buying over PLUS will not end toll collection — Dr Mahathir
- BNM affordable homes fund: Expect 20% rise in loan approvals, says Guan Eng
- Bank Negara's international reserves down to USD103.1b as at Aug 15
- Second rate cut within two months to bolster slowing economy Bank (See *Economic Viewpoint: Bank Indonesia Rate Decision*)
- China eases restrictions on gold imports: sources
- South Korea to scrap intelligence-sharing pact with Japan amid history feud
- Auto companies in India cut more jobs, halt production to tackle slowdown
- U.S. factory sector contracts for first time in a decade: IHS Markit
- U.S. jobless claims fall in sign of labor market strength
- Euro zone business growth recovers, but outlook darkens
- UK retail sales collapse at fastest pace since 2008: CBI

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: AMBANK, CJCEN, HSL, KOSSAN, MAGNUM, MEDIA, SERBADK, TSH
- On Our Technical Watch: KOMARK, BJLAND
- Rating Summary
- Economic Viewpoint: Bank Indonesia Rate Decision

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	GENM	3.08	-0.7	17.00	AMBANK	4.14	6.2	6.35	GENM	3.08	-0.7	17.00
2	SIME	2.10	0.5	8.17	HAPSENG	9.78	1.9	0.33	GENTING	5.96	-0.3	5.98
3	PBBANK	20.80	0.3	7.54	MAXIS	5.56	1.8	1.58	CIMB	5.06	-0.2	7.19
4	IHH	5.67	0.2	7.53	TOPGLOV	4.58	1.8	2.34	PETDAG	23.12	-0.2	0.31
5	CIMB	5.06	-0.2	7.19	RHBBANK	5.52	1.7	1.93	HLFG	16.64	0.0	0.37
6	AMBANK	4.14	6.2	6.35	IOICORP	4.32	1.7	2.22	KLK	23.62	0.0	0.45
7	DIALOG	3.49	0.6	6.18	PMETAL	4.85	1.3	2.27	AIRPORT	8.55	0.0	1.95
8	DIGI	5.00	0.4	6.01	MISC	7.30	1.0	1.42	PPB	18.80	0.0	0.43
9	GENTING	5.96	-0.3	5.98	PETGAS	15.96	0.9	0.54	TENAGA	13.66	0.0	3.66
10	MAYBANK	8.56	0.4	5.95	HARTA	5.04	0.8	3.20	IHH	5.67	0.2	7.53

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Allianz 2Q net profit up 31% on higher gross earned premiums**

Allianz Malaysia Bhd's net profit for the second financial quarter ended June 30, 2019, grew 31% to RM117.7m from RM89.9m a year earlier, contributed by higher gross earned premiums and investment income. However, revenue for the quarter grew only 5% to RM1.4b from RM1.3b in the previous year's corresponding quarter. In a filing with the bourse, the insurer said its gross earned premiums increased by RM47.6m, while investment income increased RM11.6m during the quarter. This was largely due to its life insurance segment which saw an 8.5% growth in operating revenue to RM780.7m as gross earned premiums and investment income grew by RM51.0m and RM10.0m respectively. *(The Edge)*

- **Kelington 2Q profit up 15%, proposes one sen dividend**

Kelington Group Bhd's second quarter net profit rose 15.9% to RM5.1m from RM4.4m a year earlier, thanks to higher contribution from its Singapore and Malaysian operations, which more than offset the decline from China and Taiwan. Earnings per share for the quarter ended June 30, 2019, however, fell to 1.71 sen from 1.79 sen previously, the engineering firm said in a filing with Bursa Malaysia. The group has proposed a first interim dividend of one sen per share, unchanged from last year. *(The Edge)*

- **Perdana Petroleum slips into the red in 2Q despite higher revenue**

Perdana Petroleum Bhd slipped into the red in the second quarter with a net loss of RM5.4m, from a net profit of RM10.1m a year ago when it benefited from a hefty foreign exchange gain of RM25.8m. Losses per share for the quarter ended June 30, 2019 stood at 0.7 sen compared with earnings per share of 1.3 sen in the same period last year. Quarterly revenue grew 32.06% to RM62.8m from RM47.6m, the group said in a filing with Bursa Malaysia. *(The Edge)*

- **Engtex 2Q net profit down 84% on softer demand and higher costs**

Engtex Group Bhd's net profit for the second quarter ended June 30, 2019 (2QFY19) shrank 84.3% to RM985,000 from RM6.3m a year earlier, due to softer demand for its manufactured steel products and property units coupled with higher tax expenses and increased procurement and operating costs for certain metal-related trading products and manufactured steel products. Its earnings per share declined to 0.22 sen for 2QFY19 against 1.43 sen for 2QFY18, the group said in a Bursa Malaysia filing today. Revenue declined 11% year-on-year (y-o-y) to RM254.6m from RM286.1m previously. *(The Edge)*

- **Tasco is well prepared for good or bad effects of US-China trade war**

Logistics and warehousing company Tasco Bhd is well prepared for the impending effects, both negatively or positively, of the US-China trade war, said its group managing director Freddie Lim Jew Kiat. "We are prepared if the volume suddenly comes in. In the event that there is a surge, we are prepared to cater for the surge. But if there is a drop, we are also able to cushion the loss because we do not run all our businesses by ourselves. We have partners who we can cut off to reduce our loss," he told theedgemarkets.com after the group's annual general meeting today. "We should be able to react, not very quickly but at least we can react in a way that we can cushion off all these things (negative impact)," Lim added. *(The Edge)*



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Macro Bits

Global

- [Iran ready to work on French nuclear deal proposals, does not want war: foreign minister](#) Iran is prepared to work on French proposals to salvage the international nuclear deal that Tehran signed with world powers in 2015 but it will not tolerate U.S. interference in the Gulf, its foreign minister said on Thursday. *(Reuters)*

Malaysia

- [Buying over PLUS will not end toll collection — Dr Mahathir](#) Highway toll collection will continue even if concessionaire PLUS Malaysia Sdn Bhd is taken over by any other entity, Prime Minister Tun Dr Mahathir Mohamad said today. *(The Edge Markets)*
- [BNM affordable homes fund: Expect 20% rise in loan approvals, says Guan Eng](#) BNM's easing of eligibility requirements for its RM1 billion Fund for Affordable Homes should lead to at least a 20% increase in home loan approvals for first-time homebuyers, said Finance Minister Lim Guan Eng. *(The Edge Markets)*
- [Bank Negara's international reserves down to USD103.1b as at Aug 15](#) Bank Negara Malaysia's international reserves fell to USD103.1b as at Aug 15, from USD103.9b as at July 31. *(The Edge Markets)*

Asia Pacific

- [Second rate cut within two months to bolster slowing economy](#) Bank Indonesia (BI) yesterday in a surprise move decided to cut its 7-day repo rate by 25 basis points (bps) to 5.50%, at its eight Board of Governor (BoG) meeting this year. This is second rate cut within two months, while consensus and house expected the central bank to keep its key rate on hold. According to BI, the latest decision was considered as a pre-emptive measure to bolster the slowing economy after it recorded the slowest growth within two years in 2Q19 at just 5.05% YoY (1Q19: 5.07%), albeit sustaining above-average annual growth of 5%. *(See Economic Viewpoint: Bank Indonesia Rate Decision)*
- [China eases restrictions on gold imports: sources](#) China has partially lifted restrictions on imports of gold, bullion industry sources said, loosening curbs that had stopped an estimated 300-500 tonnes of the metal worth USD15-25b at current prices from entering the country since May. *(Reuters)*
- [South Korea to scrap intelligence-sharing pact with Japan amid history feud](#) South Korea said on Thursday it will scrap an intelligence-sharing pact with Japan, a decision that could escalate a dispute over history and trade and undercut security cooperation on North Korea. *(Reuters)*
- [Auto companies in India cut more jobs, halt production to tackle slowdown](#) With India's auto sales declining for the ninth straight month in July, more automotive manufacturers are laying off workers and temporarily halting production to keep costs in check, according to sources and documents seen by Reuters. *(Reuters)*

Americas

- [U.S. factory sector contracts for first time in a decade: IHS Markit](#) U.S. manufacturing industries recorded their first month of contraction in almost a decade amid concern about whether the U.S.-China trade conflict would tip the economy into a recession, a private survey showed on Thursday. *(Reuters)*
- [U.S. jobless claims fall in sign of labor market strength](#) The number of Americans filing applications for unemployment benefits fell sharply last week, suggesting the labor market was holding firm despite a manufacturing slowdown and concerns the economy is on a path toward recession. *(Reuters)*

Europe

- [Euro zone business growth recovers, but outlook darkens](#) Euro zone business growth nudged up in August and may provide some modest cheer for policymakers, a survey showed, but the weakness in manufacturing and future expectations will keep the European Central Bank on track to ease policy in September. *(Reuters)*
- [UK retail sales collapse at fastest pace since 2008: CBI](#) British retail sales plunged in August at the fastest pace since December 2008, according to a survey published on Thursday that added to signs of a slowing economy ahead of Brexit in just over two months' time. *(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
HONG LEONG FINANCIAL GROUP	16.640	10.58	5.67	0.31	16.580
MKH BHD	1.110	13.45	7.25	0.21	1.110
KUMPULAN PERANGSANG SELANGOR	0.755	18.24	15.26	14.48	0.745
SP SETIA BHD	1.670	19.35	17.70	38.52	1.610
KECK SENG (MALAYSIA) BHD	4.320	19.78	12.29	1.17	4.260
BRITISH AMERICAN TOBACCO BHD	21.700	20.51	16.97	5.47	21.620
PARAMOUNT CORP BHD	1.300	21.53	16.17	2.98	1.280
PUBLIC BANK BERHAD	20.800	21.75	23.26	46.07	20.360
STAR MEDIA GROUP BHD	0.580	22.66	18.21	6.18	0.580
BINTULU PORT HOLDINGS BHD	4.060	23.30	19.47	10.82	4.060
GENTING BHD	5.960	24.45	17.19	2.05	5.940
TH PLANTATIONS BHD	0.395	24.60	16.67	1.57	0.390
MALAYSIAN RESOURCES CORP BHD	0.755	25.32	22.70	18.37	0.750
ANN JOO RESOURCES BHD	1.310	25.56	20.01	9.26	1.310
CYPARK RESOURCES BHD	1.320	25.93	27.79	34.19	1.300
CB INDUSTRIAL PRODUCT HLDG	0.880	26.13	19.35	6.62	0.870
HONG LEONG BANK BERHAD	17.000	26.47	26.60	32.25	16.820
COUNTRY HEIGHTS HOLDINGS BHD	1.290	27.27	22.23	7.45	1.200
LION INDUSTRIES CORP BHD	0.445	27.63	23.54	10.25	0.440
SKP RESOURCES BHD	1.130	27.92	24.27	16.92	1.130
YTL POWER INTERNATIONAL BHD	0.720	27.97	24.72	10.68	0.705
UEM SUNRISE BHD	0.705	28.10	25.13	19.76	0.695
POH HUAT RESOURCES HLDGS BHD	1.440	29.16	25.31	6.90	1.430
BATU KAWAN BHD	15.780	29.25	24.95	6.59	15.780
CAHYA MATA SARAWAK BHD	2.550	29.41	26.66	14.79	2.550
Y.S.P.SOUTHEAST ASIA HOLDING	2.370	29.51	21.76	2.94	2.370
SHANGRI-LA HOTELS (MAL) BHD	4.830	29.59	28.04	35.11	4.770
AEON CREDIT SERVICE M BHD	15.840	29.79	27.21	39.79	15.680
WAH SEONG CORP BHD	0.650	29.84	25.09	16.40	0.645

*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
MBM RESOURCES BERHAD	4.030	88.36	92.27	99.31	4.150
CARING PHARMACY GROUP BHD	2.300	86.73	92.28	99.64	2.300
TASEK CORP BHD	5.800	79.98	87.40	85.07	5.840
DRB-HICOM BHD	2.900	76.94	80.71	95.03	2.980
DATASONIC GROUP BHD	0.895	75.77	76.49	73.60	0.950
BERJAYA LAND BHD	0.240	75.40	79.35	82.99	0.240
DUFU TECHNOLOGY CORP BHD	2.170	74.33	78.48	83.75	2.250
OCK GROUP BHD	0.610	71.45	77.85	94.46	0.620
PINTARAS JAYA BHD	2.900	71.02	76.42	92.58	2.900
POWER ROOT BHD	1.950	70.71	75.49	91.13	1.980
ABF MALAYSIA BOND INDEX FUND	1.217	70.44	78.89	98.64	1.217
IGB REAL ESTATE INVESTMENT T	2.080	70.39	74.68	88.78	2.090

*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
GENTING MALAY-C59	0.060	10.32	14.46	40.46	0.055	28/2/2020
MALAYSIAN RES-C41	0.040	12.62	6.50	0.56	0.010	29/11/2019
HANG SENG IND-7J	0.220	17.93	22.77	35.01	0.130	27/2/2020
HIBISCUS PETR-CZ	0.045	18.01	7.92	0.03	0.040	31/10/2019
HANG SENG IND-7K	0.470	20.72	25.51	39.76	0.330	27/2/2020
EKOVEST BHD-C1	0.120	22.22	21.59	17.82	0.120	31/3/2020
DIALOG GROUP-C42	0.040	23.47	19.95	5.04	0.040	30/8/2019
HANG SENG IND-5T	0.035	24.88	19.76	28.58	0.025	30/10/2019
HANG SENG IND-5Q	0.060	25.47	22.93	30.37	0.035	27/9/2019
HANG SENG IND-5P	0.015	25.66	20.37	11.65	0.005	27/9/2019
GENTING MALAY-C68	0.030	26.03	19.15	1.93	0.030	29/11/2019
GENTING MALAY-C72	0.050	26.94	28.37	32.72	0.050	14/2/2020
HANG SENG IND-7C	0.080	28.70	27.41	41.52	0.040	28/11/2019
MY EG SERVICE-C77	0.105	28.96	30.70	45.47	0.100	31/3/2020
HANG SENG IND-7F	0.370	28.96	33.96	36.95	0.210	30/12/2019
GENTING MALAY-C52	0.090	29.15	26.10	31.48	0.085	30/9/2019
MY EG SERVICE-C65	0.055	29.34	24.98	37.72	0.050	30/9/2019
POS MALAYSIA-C35	0.030	29.50	20.08	3.54	0.030	20/12/2019

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
DRB-HICOM BHD-C75	0.305	79.17	84.22	97.23	0.325	31/12/2019
DRB-HICOM BHD-C81	0.195	78.25	82.96	97.29	0.215	20/12/2019
DRB-HICOM BHD-C82	0.280	78.24	82.65	96.80	0.300	29/11/2019
DRB-HICOM BHD-C70	0.565	77.30	80.24	84.18	0.585	31/10/2019
DATASONIC GROUP BHD-WA	0.400	74.76	72.20	44.77	0.445	5/7/2023
GREEN PACKET BHD-WB	0.175	72.13	74.44	77.36	0.180	24/11/2023
SENTORIA GROUP BHD-WB	0.155	70.09	77.64	96.48	0.160	9/1/2025
DRB-HICOM BHD-C77	0.295	70.07	73.52	87.67	0.315	26/11/2019

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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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