

26 August 2019

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Research Highlights

BURSA	23-Aug	Day chg	% chg
KLCI	1,609.3	6.86	0.43%
FTSE EMAS	11,386.2	47.4	0.42%
FTSE Smallcap	13,142.6	103.00	0.79%
FTSE MESDAQ	4,553.6	-94.0	-2.02%
KLSE Mkt Cap (RM'b)	1,620.8	5.2	0.32%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	17.15	49.99
Local Retail	25.43	26.90
Foreign	-42.58	23.11

INDICES	23-Aug	Day chg	% chg
Dow Jones	25,628.9	-623.3	-2.37%
S&P 500	2,847.1	-75.8	-2.59%
NASDAQ	7,751.8	-239.6	-3.00%
FTSE-100	7,095.0	-33.2	-0.47%
Nikkei 225	20,710.9	82.9	0.40%
SHCOMP	2,897.4	14.0	0.49%
HSI	26,179.3	130.6	0.50%
STI	3,110.4	-17.4	-0.56%
KOSPI	1,948.3	-2.7	-0.14%
TWSE	10,538.1	8.3	0.08%
JCI	6,255.6	16.4	0.26%
SET	1,646.7	13.1	0.80%

FOREX	23-Aug	22-Aug	% chg
USD/MYR:	4.1912	4.1888	0.06%
EUR/USD:	1.1144	1.1069	0.68%
GBP/USD:	1.2266	1.2139	1.05%
USD/YEN:	105.39	106.45	-1.00%
USD/SGD:	1.3870	1.3869	0.01%
USD/HKD:	7.8426	7.8404	0.03%

KEY STATS

KLCI Spot			
Vol (m shares):	2,010.1	2,040.4	-1.48%
Value (RMm):	1,742.4	1,752.0	-0.55%
KLCI Future			
August-19	1,600.5	1,600.0	0.03%
September-19	1,593.0	1,593.0	0.00%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	843.3	856.0	-1.49%
SoyOil (USc/lb)	28.5	28.7	-0.70%
Gold (US\$/troy oz)	1,531.4	1,502.3	1.94%
Nymex crude oil (US\$/bbl)	54.2	55.4	-2.13%
Latex (RM/kg)	4.33	4.36	-0.69%
Tin (US\$/mt)	15,906.0	16,200.0	-1.81%

NEWS HIGHLIGHTS

- Sarawak Oil Palms suffers net profit nosedive of 84.0% in 2Q
- Wellcall 3Q19 profit up 21.0%, declares 1.40 sen dividend
- BHIC quarterly profit slumps on lower JV contributions, higher finance costs
- LTKM shareholders advised to accept takeover offer by MD
- SDS Group aims for Ace Market listing in October

MACRO BITS

- China to fight back against U.S. tariff move: People's Daily
- China warns U.S. to stop 'wrong' trade actions or face consequences
- Trump heaps another 5.0% tariff on Chinese goods in latest tit-for-tat escalation
- Govt will study UN's poverty rate claim — Dr Mahathir
- Tourists spent RM41.69b in Malaysia in the first half of 2019
- Malaysia to see healthy investment inflow from Chinese firms in 2H — Ong Kian Ming
- Putrajaya incurred added RM58b debt to address existing commitments, says Guan Eng
- Japan PM Abe: G7 must unify in its response to downside economic risks - Kyodo
- Indonesian economy to grow 5.2% in 2019: BI
- Trump regrets not raising tariffs on China higher, White House says
- Trump hopes Congress will vote soon on trade deal with Canada, Mexico
- France's Macron says Europe looking at 'new tax cuts' to stimulate growth
- UK economy headed for stagnation in third quarter: BoE's Carney

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: UTILITIES
- MidS: TOMYPAK, WTHORSE
- Results Note: DAYANG, DRBHCORP, MALAKOF, PETDAG, PHARMA
- Company Update: AMBANK, MBMR
- Weekly Technical Review
- Regional News Update

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	IHH	5.68	0.2	10.10	TOPGLOV	4.75	3.7	3.49	MAXIS	5.40	-2.9	2.01
2	GENM	3.10	0.7	8.20	SIMEPLT	4.82	2.1	1.95	HAPSENG	9.70	-0.8	0.19
3	PBBANK	20.82	0.1	7.56	SIME	2.14	1.9	2.87	DIALOG	3.48	-0.3	5.58
4	RHBBANK	5.57	0.9	7.21	IOICORP	4.38	1.4	1.66	AMBANK	4.13	-0.2	1.85
5	MAYBANK	8.64	0.9	6.33	HLFG	16.80	1.0	0.29	MISC	7.29	-0.1	0.95
6	DIALOG	3.48	-0.3	5.58	AIRPORT	8.63	0.9	2.62	HLBANK	16.98	-0.1	0.88
7	CIMB	5.07	0.2	3.67	MAYBANK	8.64	0.9	6.33	NESTLE	149.00	0.0	0.09
8	TOPGLOV	4.75	3.7	3.49	RHBBANK	5.57	0.9	7.21	PPB	18.80	0.0	0.38
9	AXIATA	5.00	0.4	3.24	GENTING	6.01	0.8	3.03	PBBANK	20.82	0.1	7.56
10	GENTING	6.01	0.8	3.03	KLK	23.80	0.8	0.21	IHH	5.68	0.2	10.10

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Sarawak Oil Palms suffers net profit nosedive of 84.0% in 2Q**

Sarawak Oil Palms Bhd suffered an 84.0% year-on-year fall in its net profit to RM1.7m in its second quarter ended June 30, 2019 (2QFY19) from RM10.5m before, as a result of an adverse price impact. Quarterly revenue shrank 23.8% to RM590.2m from RM774.9m in 2QFY18, an exchange filing showed. Sarawak Oil Palms in its filing attributed the decrease in revenue to lower palm products average realised prices, coupled with the lower volume of palm products transacted. This brings the group's first-half (1HFY19) net profit to RM10.0m down 72.6% from RM36.6m in the corresponding period a year ago, while revenue came in 20.7% lower at RM1.3b compared with RM1.7b in 1HFY18. *(The Edge)*

- **Wellcall 3Q19 profit up 21.0%, declares 1.4 sen dividend**

Wellcall Holdings Bhd net profit increased 21.3% to RM9.5m in the third quarter ended June 30, 2019 (3QFY19) from RM7.8m thanks to lower input costs, it said in a filing. Quarterly earnings per share increased to 1.90 sen from 1.57 sen in 3QFY18. The group has declared a third interim dividend of 1.40 sen per share up from 1.30 sen a year ago, raising its total dividend in the nine-month ended June 30 (9MFY19) to 4.20 sen, compared with 4.05 sen previously. The better profit was despite revenue retreating by 3.1% to RM41.6m from RM42.9m last year. *(The Edge)*

- **BHIC quarterly profit slumps on lower JV contributions, higher finance costs**

Boustead Heavy Industries Corp Bhd (BHIC) saw its net profit contract 59.0% year-on-year in the second quarter of financial year 2019 (2QFY19) despite higher revenue, following lower contributions from joint venture (JVs), higher finance costs, and as negative contribution from associates widened. Net profit for the quarter that ended June 30, fell to RM2.9m from RM7.2m, which pushed earnings per share down to 1.18 sen from 2.90 sen. Revenue was up 10.0% to RM53.9m versus RM49.2m previously. Share of BHIC's JV results fell 71.0% to RM1.9m from RM6.5m, while its associates' contribution widened to a loss of RM3.0m from RM1.9m. *(The Edge)*

- **LTKM shareholders advised to accept takeover offer by MD**

Shareholders of LTKM Bhd have been advised to accept the takeover offer extended by the company's managing director Datuk Tan Kok and his family. Mercury Securities Sdn Bhd in an independent advice circular said the offer is deemed "not fair", as its offer price of RM1.35 is at a discount of between RM1.09 (44.7%) and RM1.20 (47.0%) over the range of estimated value per LTKM share derived using the SOPV (sum-of-parts valuation) model of RM2.44 to RM2.55. However, the offer is viewed as "reasonable", as it provides an exit opportunity to shareholders, especially those holding a significant number of LTKM shares, to realise their investment in cash, at the offer price which represents a considerable premium against its historical market prices. *(The Edge)*

- **SDS Group aims for Ace Market listing in October**

Family-run SDS Group Bhd is aiming to list on Bursa Malaysia's ACE Market on Oct 7. At the group's prospectus launch, the Johor-based bakery products manufacturer and distributor said it would be raising RM24.0m from its initial public offering (IPO) of 23 sen a share. Some RM6.0m or 25.0% of the IPO proceeds will be used to expand its business presence for both its wholesale and retail channels within the northern and central regions of Peninsular Malaysia, RM7.8m or 32.5% will be used for working capital requirements, RM7.0m or 29.2% to repay bank borrowings and RM3.2m or 13.3% to defray listing expenses associated with the IPO. *(The Edge)*

Macro Bits

Global

- [China to fight back against U.S. tariff move: People's Daily](#) China will fight back against the latest U.S. step to increase tariffs on Chinese goods, the ruling Communist Party's People's Daily said on Sunday amid an escalating trade war between the world's two largest economies. *(Reuters)*
- [China warns U.S. to stop 'wrong' trade actions or face consequences](#) China said on Saturday it strongly opposes Washington's decision to levy additional tariffs on USD550.0b worth of Chinese goods and warned the United States of consequences if it does not end its "wrong actions". *(Reuters)*
- [Trump heaps another 5.0% tariff on Chinese goods in latest tit-for-tat escalation](#) U.S. President Donald Trump on Friday lashed back at a new round of Chinese tariffs by heaping an additional 5.0% duty on some USD550.0b in targeted Chinese goods in the latest tit-for-tat trade war escalation by the world's two largest economies. *(Reuters)*

Malaysia

- [Govt will study UN's poverty rate claim — Dr Mahathir](#) Prime Minister Tun Dr Mahathir Mohamad said the Government will study the claim made by United Nations human rights experts on the rate of poverty in the country. *(The Edge Markets)*
- [Tourists spent RM41.69b in Malaysia in the first half of 2019](#) Malaysia's tourist receipts grew 6.8% year-on-year (y-o-y) to RM41.69b during the first half of the year (1H19), compared with RM39.0b in the corresponding period last year. *(The Edge Markets)*
- [Malaysia to see healthy investment inflow from Chinese firms in 2H — Ong Kian Ming](#) Malaysia is expected to attract quite a healthy inflow of investments from Chinese companies in the second half of the year, Deputy International Trade and Industry Minister Ong Kian Ming said. *(The Edge Markets)*
- [Putrajaya incurred added RM58b debt to address existing commitments, says Guan Eng](#) The additional debt of RM58.05 billion incurred by the Pakatan Harapan government in the first half of the year was made to service the existing commitments by the federal government, said Finance Minister Lim Guan Eng. *(The Edge Markets)*

Asia Pacific

- [Japan PM Abe: G7 must unify in its response to downside economic risks - Kyodo](#) Japanese Prime Minister Shinzo Abe said G7 nations must unify in their response to downside economic risks, Kyodo news agency reported on Saturday. *(Reuters)*
- [Indonesian economy to grow 5.2% in 2019: BI](#) Bank Indonesia (BI) has predicted that the national economy will continue to grow at a steady pace of between 5.1% and 5.2% amidst the global economic downturn. *(Antara News)*

Americas

- [Trump regrets not raising tariffs on China higher, White House says](#) When President Donald Trump said on Sunday that he had second thoughts about escalating the trade war with China, he meant that he wished he had raised tariffs on Beijing even higher, the White House said. *(Reuters)*
- [Trump hopes Congress will vote soon on trade deal with Canada, Mexico](#) President Donald Trump on Sunday said he hoped a new U.S. trade deal with Canada and Mexico would be put to a vote in the U.S. congress soon. *(Reuters)*

Europe

- [France's Macron says Europe looking at 'new tax cuts' to stimulate growth](#) French President Emmanuel Macron said on Saturday Europe will "probably" decide to launch new tax cuts to kick-start a flagging economy threatened by a tit-for-tat trade war between the United States and its global partners. *(Reuters)*
- [UK economy headed for stagnation in third quarter: BoE's Carney](#) Bank of England Governor Mark Carney said Britain's economy appeared to be on course to stagnate in the current quarter, and underlying growth still looked muted even when the effect of Brexit volatility was stripped out. *(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
KUMPULAN PERANGSANG SELANGOR	0.745	17.37	14.16	10.46	0.745
SP SETIA BHD	1.650	18.16	15.93	23.91	1.610
BRITISH AMERICAN TOBACCO BHD	21.100	18.17	13.60	2.11	21.000
CB INDUSTRIAL PRODUCT HLDG	0.830	19.23	12.49	2.73	0.815
HONG LEONG FINANCIAL GROUP	16.800	21.07	22.65	56.53	16.540
KECK SENG (MALAYSIA) BHD	4.330	21.75	15.63	11.55	4.260
PUBLIC BANK BERHAD	20.820	22.83	24.97	53.17	20.360
HEVEABOARD BHD	0.535	22.98	22.29	18.98	0.525
ANN JOO RESOURCES BHD	1.300	24.62	18.86	7.62	1.270
UEM SUNRISE BHD	0.690	25.28	21.28	9.64	0.690
MALAYSIAN RESOURCES CORP BHD	0.755	25.32	22.70	18.37	0.750
CYPARK RESOURCES BHD	1.320	25.93	27.79	34.19	1.300
AIRASIA X BHD	0.185	25.98	21.04	6.47	0.180
HONG LEONG BANK BERHAD	16.980	26.13	26.06	29.69	16.820
AEON CREDIT SERVICE M BHD	15.720	26.57	22.60	16.24	15.680
UNISEM (M) BERHAD	2.020	27.06	26.66	22.38	2.020
CAHYA MATA SARAWAK BHD	2.500	27.10	23.62	10.73	2.470
BATU KAWAN BHD	15.700	27.21	22.36	4.69	15.700
COUNTRY HEIGHTS HOLDINGS BHD	1.290	27.27	22.23	7.45	1.200
PARAMOUNT CORP BHD	1.320	27.34	26.38	46.01	1.280
TH PLANTATIONS BHD	0.400	27.50	22.11	29.26	0.390
SKP RESOURCES BHD	1.130	27.92	24.27	16.92	1.120
WAH SEONG CORP BHD	0.645	28.08	22.69	11.22	0.640
BERMAZ AUTO BHD	2.320	28.31	21.78	9.22	2.300
STAR MEDIA GROUP BHD	0.585	28.74	27.85	33.35	0.580
GENTING BHD	6.010	29.10	26.22	57.06	5.940
TALIWORKS CORP BHD	0.870	29.44	21.41	3.00	0.845
Y.S.P.SOUTHEAST ASIA HOLDING	2.370	29.51	21.76	2.94	2.330
SHANGRI-LA HOTELS (MAL) BHD	4.830	29.59	28.04	35.11	4.770
PADINI HOLDINGS BERHAD	3.260	29.72	25.65	10.43	3.250

*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	4.260	90.71	94.20	99.62	4.280
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	2.950	79.08	83.41	97.35	3.000
DUFU TECHNOLOGY CORP BHD	2.210	76.17	80.72	88.43	2.250
KLCCP STAPLED GROUP	8.150	75.58	82.68	96.71	8.200
PINTARAS JAYA BHD	2.990	75.05	80.98	95.49	3.000
GREEN PACKET BHD	0.645	73.20	75.73	93.38	0.650
DATASONIC GROUP BHD	0.885	72.40	71.11	47.78	0.950
POWER ROOT BHD	1.960	71.59	76.71	92.81	1.980
BERJAYA LAND BHD	0.235	71.55	74.07	69.72	0.240
ABF MALAYSIA BOND INDEX FUND	1.217	70.44	78.89	98.64	1.217

*Only for stocks with market cap >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
TELEKOM MALAY-C53	0.050	13.28	13.47	9.02	0.050	28/2/2020
MALAYSIAN RES-C41	0.045	16.38	12.65	19.89	0.010	29/11/2019
SIME DARBY BE-C34	0.020	18.18	17.80	12.12	0.020	14/10/2019
HANG SENG IND-7J	0.240	21.63	28.68	55.77	0.130	27/2/2020
PUBLIC BANK B-C35	0.065	23.23	14.66	0.38	0.060	9/12/2019
HANG SENG IND-7K	0.500	24.28	31.32	60.76	0.330	27/2/2020
HANG SENG IND-5P	0.015	25.66	20.37	11.65	0.005	27/9/2019
HANG SENG IND-5Q	0.065	26.43	24.89	41.28	0.035	27/9/2019
HANG SENG IND-7M	0.475	27.41	29.14	54.14	0.325	28/4/2020
HANG SENG IND-7C	0.080	28.70	27.41	41.52	0.040	28/11/2019
FGV HOLDINGS-C78	0.045	28.91	26.47	14.18	0.045	31/1/2020
GENTING MALAY-C52	0.090	29.15	26.10	31.48	0.085	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
DRB-HICOM BHD-C83	0.255	84.94	88.41	98.74	0.260	29/5/2020
MTOUCHE TECHNOLOGY-WC	0.025	82.21	90.69	99.62	0.025	2/11/2020
DRB-HICOM BHD-C80	0.230	81.61	83.56	90.91	0.240	23/12/2019
DRB-HICOM BHD-C81	0.205	80.69	85.76	98.57	0.215	20/12/2019
DRB-HICOM BHD-C75	0.310	79.92	85.10	97.80	0.330	31/12/2019
DRB-HICOM BHD-C82	0.290	79.77	84.45	97.91	0.310	29/11/2019
GREEN PACKET BHD-WB	0.185	76.20	80.11	91.45	0.185	24/11/2023
DRB-HICOM BHD-C70	0.555	74.46	75.95	70.10	0.590	31/10/2019
DRB-HICOM BHD-C77	0.305	71.70	75.71	91.61	0.320	26/11/2019
DATASONIC GROUP BHD-WA	0.390	70.64	66.20	28.13	0.445	5/7/2023

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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