

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

Research Highlights

BURSA	30-Aug	Day chg	% chg
KLCI	1,612.1	16.96	1.06%
FTSE EMAS	11,348.5	125.4	1.12%
FTSE Smallcap	12,877.0	12.59	0.10%
FTSE MESDAQ	4,488.2	-22.2	-0.49%
KLSE Mkt Cap (RM'b)	1,614.8	18.0	1.13%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-115.09	43.29
Local Retail	-62.05	20.45
Foreign	177.14	36.26

INDICES	2-Sep	Day chg	% chg
Dow Jones	N.A.	N.A.	N.A.
S&P 500	N.A.	N.A.	N.A.
NASDAQ	N.A.	N.A.	N.A.
FTSE-100	7,281.9	74.8	1.04%
Nikkei 225	20,620.2	-84.2	-0.41%
SHCOMP	2,924.1	37.9	1.31%
HSI	25,626.6	-98.2	-0.38%
STI	3,083.0	-23.6	-0.76%
KOSPI	1,969.2	1.4	0.07%
TWSE	10,634.9	16.8	0.16%
JCI	6,290.5	-37.9	-0.60%
SET	1,654.1	-0.8	-0.05%

FOREX	2-Sep	30-Aug	% chg
USD/MYR:	N.A.	4.2055	N.A.
EUR/USD:	1.0967	1.0982	-0.14%
GBP/USD:	1.2075	1.2156	-0.67%
USD/YEN:	106.39	106.28	0.10%
USD/SGD:	1.3910	1.3872	0.27%
USD/HKD:	7.8428	7.8420	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	2,220.3	1,998.4	11.11%
Value (RMm):	2,007.6	1,665.7	20.53%
KLCI Future			
September-19	1,598.0	1,587.0	0.69%
October-19	1,598.0	1,587.0	0.69%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	N.A.	857.0	N.A.
SoyOil (USc/lb)	N.A.	28.6	N.A.
Gold (US\$/troy oz)	N.A.	1,523.0	N.A.
Nymex crude oil (US\$/bbl)	N.A.	55.1	N.A.
Latex (RM/kg)	4.31	4.32	-0.23%
Tin (US\$/mt)	16,812.0	16,350.0	2.83%

NEWS HIGHLIGHTS

- Guan Chong plans RM278.0m new cocoa bean processing plant in Africa
- Datasonic downsizes its board to eight members from 14
- Brahim's 2Q net loss narrows as in-flight catering business improves
- Ahmad Zaki's 2Q net profit falls amid lower revenue, higher income tax expenses
- Zecon sinks into the red in 4Q, plans another private placement

MACRO BITS

- Down, down they go: Emerging central banks deliver most rate cuts in a decade
- Oil slips as U.S., China add more tariffs in trade war
- Factories fettered by trade wars, faltering demand in August
- M3 and loan growth extends its slowdown in July on weak domestic demand (See *Economic Viewpoint: Malaysia Money & Credit*)
- Govt exempts 54 transshipment items from requiring APs
- PSC for international travellers cut to RM50, except for KLIA
- Edges down in August on lower growth in transport and food indices (See *Economic Viewpoint: Thailand Consumer Price Index*)
- Inflation accelerates in August on higher food prices and education fees (See *Economic Viewpoint: Indonesia Consumer Price Index*)
- Strong consumer spending propping up U.S. economy
- Biden seen as weak front-runner as 2020 U.S. Democratic race heats up
- UK PM Johnson to seek Oct. 14 election if rebels block his Brexit plan: source
- What are the key points in the legislation aimed at stopping a no-deal Brexit?

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: ARMADA, IHH, KPJ, LBS, MAHSING, MBSB, SIMEPLT, SUPERMX, TENAGA, VELESTO, WASEONG
- Company Update: AFFIN, SERBADK
- Weekly Technical Review
- Economic Viewpoint: Malaysia Money & Credit, Thailand CPI, Indonesia CPI

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	GENM	3.14	0.6	23.70	HLFG	16.86	3.3	0.22	AIRPORT	8.23	-3.7	9.20
2	CIMB	5.06	2.4	12.80	AMBANK	4.20	3.2	4.12	PPB	18.66	-0.7	0.97
3	MAYBANK	8.69	1.4	9.21	PETDAG	22.88	3.0	0.29	PBBANK	20.32	0.0	4.70
4	AIRPORT	8.23	-3.7	9.20	MAXIS	5.57	3.0	4.22	MISC	7.26	0.1	2.03
5	SIME	2.29	2.7	8.92	SIME	2.29	2.7	8.92	DIGI	5.02	0.2	6.71
6	RHBBANK	5.70	0.9	8.01	CIMB	5.06	2.4	12.80	HAPSENG	9.92	0.2	0.79
7	TENAGA	13.96	1.2	7.15	PCHEM	6.93	2.4	7.01	DIALOG	3.48	0.3	6.46
8	PCHEM	6.93	2.4	7.01	SIMEPLT	4.98	2.1	3.41	NESTLE	147.50	0.3	0.13
9	DIGI	5.02	0.2	6.71	TOPGLOV	4.75	1.7	4.06	IHH	5.79	0.4	5.84
10	DIALOG	3.48	0.3	6.46	GENTING	6.00	1.7	5.31	HARTA	5.13	0.4	1.72

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Guan Chong plans RM278.0m new cocoa bean processing plant in Africa**

Cocoa grinder Guan Chong Bhd, whose share price has jumped over 73.0% in the past 12 months as it reports stonger earnings, has set aside up to EUR60.0m (about RM278.0m) to build a new cocoa bean processing plant in Africa over the next 18 months. The plant will be located in Côte d'Ivoire and is expected to be commissioned and operational by the first quarter of 2021, which is expected to raise its production capacity by 60,000 tonnes per annum and allow Guan Chong to expand its market presence and strengthen its competitive advantage in the European market. "In addition, the new plant will be processing cocoa beans directly sourced from within Côte d'Ivoire, being one the world's largest cocoa beans producers, which will in turn enable the company to achieve savings in freight/transportation costs," it added. *(The Edge)*

- **Datasonic downsizes its board to eight members from 14**

As part of its restructuring plan, Datasonic Group Bhd, which saw its net profit jump 89.5% in the first quarter ended June 30 (1QFY20), announced that it is downsizing its board to eight members from 14. Consequently, the e-government service provider announced the resignations of six directors. The board members who have stepped down are Handrianov Putra Abu Hanifah, Md Diah Ramli, Mohamed Zulkhornain Ab Raneer, Raghbir Singh Hari Singh, Talya Zholeikha Abu Hanifah and Safia Zuleira Abu Hanifah. *(The Edge)*

- **Brahim's 2Q net loss narrows as in-flight catering business improves**

Brahim's Holdings Bhd continues to bleed red ink, posting a net loss of RM1.2m for the second quarter ended June 30, 2019 (2QFY19). However, Brahim's – which has been loss-making since the quarter ended June 30, 2015 – managed to narrow its net loss for 2QFY19 from RM3.2m a year ago, thanks to contribution from its in-flight catering and related services segment. In a bourse filing, Brahim's said this segment recorded an operating profit of RM740.0m compared with a loss of RM4.3m a year ago. This resulted in a lower loss per share of 0.44 sen for 2QFY19 compared with 1.18 sen for 2QFY18. Revenue for the current quarter under review was up 14.9% to RM74.1m from RM64.4m a year ago. *(The Edge)*

- **Ahmad Zaki's 2Q net profit falls amid lower revenue, higher income tax expenses**

Ahmad Zaki Resources Bhd (AZRB)'s second quarter net profit fell 12.0% to RM4.7m from RM5.3m a year ago, as it saw lower revenue and higher income tax expenses. Earnings per share thus retreated to 0.78 sen in its three months ended June 30, 2019 (2QFY19) from 1 sen in 2QFY18. Revenue came in 28.0% lower at RM243.3m versus RM339.7m previously, as higher contributions from its property and oil and gas divisions were outweighed by lower revenues from other divisions in the group, namely engineering and construction, concession and plantation. *(The Edge)*

- **Zecon sinks into the red in 4Q, plans another private placement**

Zecon Bhd has sunk into the red with a net loss of RM10.9m, with a loss per share of 8.4sen, in its fourth quarter ended June 30, 2019 (4QFY19), as revenue dived 60.48% to RM79.9m while finance costs came in higher. In contrast, the group recorded a net profit of RM33.2m with an earnings per share of 26.5 sen a year ago, when it booked revenue of RM202.1m. Finance costs, which was at RM4.6m a year ago, rose 56.0% to RM7.2m in 4QFY19. Following the weak quarterly performance, the group posted a net loss of RM19.7m for the full year ended June 30, versus a net profit of RM13.2m a year ago. Revenue was down 20.4% at RM372.1m versus RM467.4m previously, amid lower progress billings on projects. *(The Edge)*

Macro Bits

Global

- [Down, down they go: Emerging central banks deliver most rate cuts in a decade](#) Emerging market policymakers slashed interest rates in August, taking their lead from major central banks including the U.S. Federal Reserve and the European Central Bank and joining in efforts to shore up their economies. *(Reuters)*
- [Oil slips as U.S., China add more tariffs in trade war](#) Oil prices weakened on Monday after new tariffs imposed by the United States and China came into force, raising concerns about a further hit to global growth and demand for crude. *(Reuters)*
- [Factories fettered by trade wars, faltering demand in August](#) The bitter trade war between China and the United States kept global factory activity largely in decline in August, business surveys showed, strengthening the case for policymakers to unleash fresh stimulus to fend off recession risks. *(Reuters)*

Malaysia

- [M3 and loan growth extends its slowdown in July on weak domestic demand](#) July broad money (M3) grew at a slower pace of 4.9% YoY (Jun: 5.1%), an 18-month low on slower domestic demand activities. On a MoM basis, M3 rebounded marginally by 0.1% (Jun: -0.3%). *(See Economic Viewpoint: Malaysia Money & Credit)*
- [Govt exempts 54 transshipment items from requiring APs](#) The Government will be exempting 54 cargo items from the Approved Permit (AP) requirements for transshipment activities under the Full Container Load scheme at Malaysian ports with free trade zone status. *(The Edge Markets)*
- [PSC for international travellers cut to RM50, except for KLIA](#) The Cabinet had decided yesterday to reduce the passenger service charge (PSC) for international travellers who are flying beyond Asean from klia2 and other airports besides the KLIA by RM23 to RM50 from October. *(The Edge Markets)*

Asia Pacific

- [Edges down in August on lower growth in transport and food indices](#) Headline inflation eased to a seven-month low, coming in at 0.5% YoY in August (Jul: 1.0%), way below the Bank of Thailand's target range of 1.0-4.0% and consensus estimate of 0.9%. Though the core inflation growth edged up slightly to 0.5% YoY (Jul: 0.4%), it remained relatively tepid, indicating lacklustre demand-pull price pressure and moderating economic growth. *(See Economic Viewpoint: Thailand Consumer Price Index)*
- [Inflation accelerates in August on higher food prices and education fees](#) Indonesia's headline inflation rose by 3.49% YoY in August (Jul: 3.32%), below consensus' estimate of 3.54% and well within Bank Indonesia's inflation target range of 2.5-4.5%. Meanwhile, core inflation edged up by 3.3% YoY (Jul: +3.2%). *(See Economic Viewpoint: Indonesia Consumer Price Index)*

Americas

- [Strong consumer spending propping up U.S. economy](#) U.S. consumer spending increased solidly in July as households bought a range of goods and services, which could further allay financial market fears of a recession, but the strong pace of consumption is unlikely to be sustained amid tepid income gains. *(Reuters)*
- [Biden seen as weak front-runner as 2020 U.S. Democratic race heats up](#) As summer ends and the race for the 2020 Democratic U.S. presidential nomination shifts into a higher gear, former Vice President Joe Biden's perilous position atop the vast field stands to be tested under even more pressure. *(Reuters)*

Europe

- [UK PM Johnson to seek Oct. 14 election if rebels block his Brexit plan: source](#) British Prime Minister Boris Johnson will move to call an Oct. 14 election if lawmakers block the option of leaving the European Union without a deal, a senior government source said on Monday. *(Reuters)*
- [What are the key points in the legislation aimed at stopping a no-deal Brexit?](#) British lawmakers opposed to a no-deal Brexit will seek to take control of parliamentary time on Wednesday to pass legislation which would force Prime Minister Boris Johnson to seek a three-month delay to Brexit. *(Reuters)*

03 September 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
PUBLIC BANK BERHAD	20.320	16.07	14.13	4.78	20.160
BRITISH AMERICAN TOBACCO BHD	19.720	17.02	14.55	22.89	19.480
KUMPULAN PERANGSANG SELANGOR	0.720	17.29	15.19	25.13	0.700
WAH SEONG CORP BHD	0.610	20.96	15.53	6.87	0.600
SYARIKAT TAKAFUL MALAYSIA KE	5.760	21.94	16.22	1.63	5.750
IBRACO BHD	0.630	21.95	9.92	0.04	0.630
UNISEM (M) BERHAD	1.920	22.22	19.68	10.53	1.920
ANN JOO RESOURCES BHD	1.200	23.04	20.88	30.08	1.160
PETRON MALAYSIA REFINING & M	5.230	23.07	20.89	10.74	5.190
KARAMBUNAI CORP BHD	0.085	23.29	13.35	0.22	0.085
AEON CREDIT SERVICE M BHD	15.000	23.41	22.74	35.79	14.700
COUNTRY HEIGHTS HOLDINGS BHD	1.220	23.63	19.08	13.02	1.200
Y.S.P.SOUTHEAST ASIA HOLDING	2.310	23.67	18.24	21.06	2.300
BERMAZ AUTO BHD	2.280	24.84	17.57	3.87	2.270
TASEK CORP BHD	5.380	24.95	15.11	0.77	5.300
UEM SUNRISE BHD	0.670	25.80	24.01	33.69	0.655
ECO WORLD DEVELOPMENT GROUP	0.670	26.23	21.05	4.18	0.655
TUNE PROTECT GROUP BHD	0.605	27.31	21.84	6.55	0.590
HIBISCUS PETROLEUM BHD	0.905	27.56	23.55	25.70	0.890
MALAYSIA SMELTING CORP BHD	0.785	27.77	22.62	4.25	0.785
AIRASIA X BHD	0.175	27.82	25.16	18.28	0.170
MALAYSIAN RESOURCES CORP BHD	0.730	27.87	28.18	49.49	0.700
BIUTULU PORT HOLDINGS BHD	3.910	28.05	26.65	16.16	3.910
MUHIBBAH ENGINEERING (M) BHD	2.470	28.78	24.79	11.82	2.410
CHIN WELL HOLDINGS BHD	1.680	29.27	21.36	3.04	1.660
KAREX BHD	0.460	29.43	22.73	3.80	0.455
CYPARK RESOURCES BHD	1.300	29.66	33.53	54.97	1.250
SP SETIA BHD	1.560	29.99	33.52	50.86	1.470

*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
PINTARAS JAYA BHD	3.090	77.01	82.36	94.49	3.100
MBM RESOURCES BERHAD	4.130	76.17	74.98	62.10	4.280
POWER ROOT BHD	2.040	74.97	79.56	88.81	2.040
UEM EDGENTA BHD	3.330	73.58	78.01	86.62	3.340
ABF MALAYSIA BOND INDEX FUND	1.220	71.74	80.43	98.91	1.220
KOSSAN RUBBER INDUSTRIES	4.220	70.84	74.63	86.19	4.270

*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
TELEKOM MALAY-C53	0.030	13.99	14.14	10.70	0.030	28/2/2020
HANG SENG IND-7J	0.180	21.13	26.13	34.10	0.130	27/2/2020
SUPERMAX CORP-C71	0.035	22.25	21.02	22.55	0.030	6/1/2020
HANG SENG IND-7K	0.410	22.64	27.03	34.25	0.330	27/2/2020
HANG SENG IND-5P	0.005	24.49	18.37	4.65	0.005	27/9/2019
HANG SENG IND-5Q	0.030	24.73	22.18	22.61	0.025	27/9/2019
HANG SENG IND-5T	0.020	24.78	21.61	44.91	0.010	30/10/2019
GENTING MALAY-C60	0.075	25.00	31.45	68.29	0.065	31/3/2020
BURSA MALAYSI-C26	0.030	25.71	23.77	5.63	0.030	14/2/2020
HANG SENG IND-7M	0.400	26.11	26.93	33.45	0.325	28/4/2020
MY EG SERVICE-C65	0.040	27.47	25.51	41.99	0.035	30/9/2019
TELEKOM MALAY-C50	0.080	27.78	22.48	16.43	0.075	31/1/2020
POS MALAYSIA-C35	0.025	29.11	21.89	9.48	0.025	20/12/2019
TELEKOM MALAY-C46	0.115	29.80	20.82	6.91	0.115	23/1/2020
TELEKOM MALAY-C53	0.030	13.99	14.14	10.70	0.030	28/2/2020

Source: Bloomberg

List of Overbought Warrants (14-Day RSI>70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
GREEN PACKET BHD-WB	0.195	71.72	72.97	79.09	0.195	24/11/2023

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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KENANGA INVESTMENT BANK BERHAD (15678-H)

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