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Research Highlights

BURSA	13-Sep	Day chg	% chg
KLCI	1,601.3	0.25	0.02%
FTSE EMAS	11,311.3	28.3	0.25%
FTSE Smallcap	13,044.1	23.83	0.18%
FTSE MESDAQ	4,557.0	28.2	0.62%
KLSE Mkt Cap (RM'b)	1,613.2	3.5	0.22%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	57.68	50.66
Local Retail	-2.65	22.24
Foreign	-55.03	27.10

INDICES	16-Sep	Day chg	% chg
Dow Jones	27,076.8	-142.7	-0.52%
S&P 500	2,998.0	-9.4	-0.31%
NASDAQ	8,153.5	-23.2	-0.28%
FTSE-100	7,321.4	-46.1	-0.63%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,030.8	N.A.	N.A.
HSI	27,124.6	-228.1	-0.83%
STI	3,203.9	-7.6	-0.24%
KOSPI	2,062.2	N.A.	N.A.
TWSE	10,898.1	N.A.	N.A.
JCI	6,219.4	-115.4	-1.82%
SET	1,662.9	1.0	0.06%

FOREX	16-Sep	13-Sep	% chg
USD/MYR:	N.A.	4.1652	N.A.
EUR/USD:	1.1039	1.1073	-0.31%
GBP/USD:	1.2451	1.2501	-0.40%
USD/YEN:	107.76	108.09	-0.31%
USD/SGD:	1.3741	1.3732	0.07%
USD/HKD:	7.8203	7.8200	0.00%

KEY STATS

KLCI Spot	2,104.2	1,894.3	11.08%
Vol (m shares):	1,502.4	1,742.2	-13.76%
Value (RMm):			
KLCI Future	1,594.0	1,590.0	0.25%
September-19	1,595.5	1,592.0	0.22%
October-19	2,221.0	2,221.0	0.00%
CPO Price (RM/tonne)	2,104.2	1,894.3	11.08%
Soybean (US\$/bu)	900.0	898.8	0.14%
SoyOil (USc/lb)	30.3	29.4	2.89%
Gold (US\$/troy oz)	1,504.8	1,492.9	0.80%
Nymex crude oil (US\$/bbl)	62.9	54.9	14.68%
Latex (RM/kg)	4.41	4.41	-0.11%
Tin (US\$/mt)	N.A.	16,470.0	N.A.

NEWS HIGHLIGHTS

- Government to liberalise power industry (*Comment Included in Kenanga Today*)
- Malaysia Smelting Corp's tin output to remain firm despite global cuts
- Masteel proposes private placement to repay borrowings
- TH Heavy Engineering names Izad Shahadi as chairman
- Marine & General unit bags RM12.9m contract from Hess

MACRO BITS

- Biggest oil price surge since 1991 as 'locked and loaded' U.S. points finger at Iran for attack
- Global services trade slows but stronger than goods: WTO
- Jobless rate unchanged in July, job vacancies contracted (*See Economic Viewpoint: Malaysia Labour Market*)
- Petronas revenue, govt fuel subsidy to increase as oil prices spike - Guan Eng
- Guan Eng : Malaysia's tax collection rises 8.94% y/y as of Aug 31
- Guan Eng: Optimistic outlook for retail sector
- Exports fell on weak manufacturing demand, trade balance turns positive in August (*See Economic Viewpoint: Indonesia External Trade*)
- China's slowdown deepens; industrial output growth falls to 17-1/2 year low
- North Korea leader Kim invited Trump to Pyongyang in letter: report
- South Korea files WTO dispute with Japan on export curbs
- N.Y. Fed 'Empire State' business index falls in September
- White House to roll out tax cut plan mid-2020: Kudlow
- Brexit talks with EU to intensify, PM Johnson rules out exit delay
- EU seeks plane subsidy deal, but U.S. not talking: bloc's trade chief

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: BAUTO
- Weekly Technical Review
- Economic Viewpoint: Malaysia Labour Market, 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	MAYBANK	8.90	0.0	10.30	AMBANK	4.17	3.0	1.36	AIRPORT	8.51	-1.5	1.94
2	DIALOG	3.49	0.0	8.88	HAPSENG	9.90	1.3	0.21	PCHEM	7.41	-1.3	7.26
3	CIMB	5.02	0.4	8.69	AXIATA	4.27	1.0	4.63	PETGAS	16.24	-1.1	0.56
4	PCHEM	7.41	-1.3	7.26	PETDAG	23.30	0.9	0.29	GENM	3.22	-0.9	6.56
5	GENM	3.22	-0.9	6.56	SIME	2.34	0.9	5.94	MISC	7.74	-0.8	2.21
6	SIME	2.34	0.9	5.94	IOICORP	4.41	0.7	1.38	IHH	5.66	-0.5	3.48
7	GENTING	5.84	-0.3	5.37	MAXIS	5.60	0.5	1.09	HLBANK	16.40	-0.5	0.91
8	AXIATA	4.27	1.0	4.63	KLK	23.74	0.4	0.20	GENTING	5.84	-0.3	5.37
9	DIGI	4.71	-0.2	4.06	CIMB	5.02	0.4	8.69	DIGI	4.71	-0.2	4.06
10	IHH	5.66	-0.5	3.48	NESTLE	146.70	0.3	0.17	TENAGA	13.78	-0.1	1.62

Notes: # KL Composite Index (FBM KLCI) component stocks

Corporate News

- **Government to liberalise power industry**

The Cabinet has approved a 10-year master plan to reform the domestic power industry in which the government will now stop approving new independent power production projects that come with PPA. Dubbed as Malaysia Electricity Supply Industry 2.0 (MESI 2.0), the main feature of the master plan is to introduce liberalization across the industry from fuel sources, generation to transmission and distribution and retail in Peninsular Malaysia, and it will also encourage and facilitate the supply of green energy in the country. (Source: *The Financial Daily*)

Comment: While the cabinet has approved the master plan, details are yet to be ironed out. Besides the widely expected retail business, new IPP without risk-free PPA is something new where the IPP will take on the risk as it may look for fuel sourcing and procurement, and any resultant savings will be shared between customers and IPP. Currently, fuel sources are secured by TENAGA (MP; TP: RM13.40) and it is pass-through under ICPT. We do not expect this to affect TENAGA either under the current mechanism or future measures as the ICPT framework covers the risk-fee 6-month pass-through lagged effect. The opening up of fuel sourcing is targeted to have trial pilot period in 1Q21 with full roll-out in 2Q21. (By: Teh Kian Yeong)

- **Malaysia Smelting Corp's tin output to remain firm despite global cuts**

Malaysia Smelting Corp Bhd, the world's third-largest refined tin producer, does not expect its output to fall this year even though the top two have flagged production cuts, its chief executive said. Earlier this month, producers including the world's top two — China's Yunnan Tin and Indonesia's PT Timah — said they would reduce production by around 30,000 tonnes this year — or about 8% of global supply — due to a recent slump in the metal's price. Malaysia Smelting's Chief Executive said the production slowdown in China and Indonesia would not hurt the company's accessibility to ore as the two countries do not export tin ore to third party smelters. (*The Edge*)

- **Masteel proposes private placement to repay borrowings**

Malaysia Steel Works (KL) Bhd (Masteel) has proposed a private placement of up to 42.5m shares to Macquarie Bank Ltd, as the group looks to raise cash to repay its bank borrowings. In a filing with the bourse, Masteel said it had entered into a conditional share subscription agreement with Macquarie Bank, in relation to the issuance of up to 42.5m placement shares, which represent about 10% of its total number of issued shares. The group said the placement is expected to be implemented in multiple tranches within 12 months from the date on which the conditions precedent in the subscription agreement are fulfilled. (*The Edge*)

- **TH Heavy Engineering names Izad Shahadi as chairman**

TH Heavy Engineering Bhd (THHE) has appointed Izad Shahadi Mohd Sallehuddin as the group's chairman. This comes on the heels of Izad's initial appointment to THHE's board as a non-independent and non-executive director on Aug 15. Izad, 38, has a Masters in Business Administration from the University of Nottingham, and a Bachelor of Science (Honours) in Economics from the London School of Economics and Political Science, according to a bourse filing. Prior to his appointment to the group's board, he was the chief executive officer of Urusharta Jamaah Sdn Bhd. (*The Edge*)



- **Marine & General unit bags RM12.9m contract from Hess**

Offshore support services provider Marine & General Bhd's unit has bagged a contract from Hess Exploration and Production Malaysia B.V. worth approximately RM12.9m with an additional RM6.5m for an optional extended term. In a filing with Bursa Malaysia, Marine & General said its subsidiary Jasa Merin (Malaysia) Sdn Bhd has been awarded the contract by Hess for the provision of one 120MT anchor handling tug supply (AHTS) vessel to support Hess' Malaysian drilling operations on July 11, 2019. Marine & General said the contract, which commenced on July 11, is for a primary duration of twelve months, with an option for Hess to extend for an additional six months. (*The Edge*)

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Macro Bits

Global

- [Biggest oil price surge since 1991 as 'locked and loaded' U.S. points finger at Iran for attack](#) An attack on Saudi Arabia that shut 5% of global crude output triggered the biggest surge in oil prices since 1991, after U.S. officials blamed Iran and President Trump said Washington was “locked and loaded” to retaliate. *(Reuters)*
- [Global services trade slows but stronger than goods: WTO](#) World trade in commercial services lost momentum in the second quarter of 2019, indicating it “continued to face strong headwinds”, but has generally fared better than trade in goods, which have been more directly hit by rising tensions, the WTO said. *(Reuters)*

Malaysia

- **Jobless rate unchanged in July, job vacancies contracted** The unemployment rate was sustained at 3.3% in July for the third straight month, as labour force added in July was largely absorbed by a steady rise in hiring. *(See Economic Viewpoint: Malaysia Labour Market)*
- [Petronas revenue, govt fuel subsidy to increase as oil prices spike - Guan Eng](#) Finance Minister Lim Guan Eng said today Petronas’s revenue and the Malaysian government’s fuel subsidy will increase after crude oil prices spiked following an attack on Saudi Arabia’s oil facilities. *(The Edge Markets)*
- [Guan Eng : Malaysia’s tax collection rises 8.94% y/y as of Aug 31](#) Rise in tax collection shows that economy is growing substantially and is on an upwards trend, Lim Guan Eng says on Monday. *(The Edge Markets)*
- [Guan Eng: Optimistic outlook for retail sector](#) Outlook for shopping centres and the retail industry as a whole looks favourable this year on the back of the country’s GDP growth beating expectations, said Finance Minister Lim Guan Eng. *(The Edge Markets)*

Asia Pacific

- **Exports fell on weak manufacturing demand, trade balance turns positive in August** Indonesia’s exports continued to fall in August for ten straight months, declining by 10.0% YoY (Jul: -5.1%) far larger than the consensus estimate of -6.0%. *(See Economic Viewpoint: Indonesia External Trade)*
- [China's slowdown deepens: industrial output growth falls to 17-1/2 year low](#) The slowdown in China’s economy deepened in August, with growth in industrial production at its weakest 17-1/2 years amid spreading pain from a trade war with the United States and softening domestic demand. *(Reuters)*
- [North Korea leader Kim invited Trump to Pyongyang in letter: report](#) North Korean leader Kim Jong Un invited U.S. President Donald Trump to visit Pyongyang in a letter sent in August amid stalled denuclearisation talks, a South Korean newspaper reported on Monday, citing diplomatic sources. *(Reuters)*
- [South Korea files WTO dispute with Japan on export curbs](#) South Korea has initiated a WTO dispute against Japan’s latest export curbs, the WTO said, amid increased tensions between the two Asian powers. *(Reuters)*

Americas

- [N.Y. Fed 'Empire State' business index falls in September](#) The New York Federal Reserve said on Monday its gauge of business growth in New York state declined more than forecast in September, suggesting sluggish regional activity amid a U.S.-China trade dispute. *(Reuters)*
- [White House to roll out tax cut plan mid-2020: Kudlow](#) The Trump administration plans to unveil a tax cut plan in mid-2020, targeted to giving significant relief to the middle class. *(Reuters)*

Europe

- [Brexit talks with EU to intensify, PM Johnson rules out exit delay](#) Talks between Britain and the EU on an exit agreement will intensify, a statement from Prime Minister Johnson’s office said, reiterating that the British leader will not request a delay to Brexit beyond Oct. 31. *(Reuters)*
- [EU seeks plane subsidy deal, but U.S. not talking: bloc's trade chief](#) The European Union is urging the United States to hold off trade sanctions and seek an agreement on aircraft industry subsidies, but Washington has shown no sign it wants to talk, EU trade chief Cecilia Malmstrom said. *(Reuters)*

17 September 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
DUTCH LADY MILK INDS BHD	60.020	11.20	6.80	0.77	60.000
PUBLIC BANK BERHAD	20.140	21.22	22.16	21.84	20.000
TH PLANTATIONS BHD	0.345	22.91	19.11	9.13	0.345
AJINOMOTO MALAYSIA BHD	16.540	23.50	17.12	6.51	16.020
I-BHD	0.305	24.49	20.39	6.71	0.300
STAR MEDIA GROUP BHD	0.555	25.01	24.72	34.32	0.545
PANASONIC MANUFACTURING MALA	37.980	25.66	18.87	3.64	37.700
CHIN WELL HOLDINGS BHD	1.650	26.53	20.04	10.44	1.650
TASEK CORP BHD	5.310	27.72	22.81	32.78	5.200
Y.S.P.SOUTHEAST ASIA HOLDING	2.300	27.85	26.29	39.91	2.280
BIMB HOLDINGS BHD	3.940	28.61	25.99	8.97	3.900
AXIATA GROUP BERHAD	4.270	29.41	27.50	32.12	4.010
PAVILION REAL ESTATE INVEST	1.800	29.86	20.57	2.47	1.780

*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
PRG HOLDINGS BHD	0.880	93.57	97.87	99.99	0.890
PINTARAS JAYA BHD	3.400	81.36	84.03	81.54	3.400
MAGNI-TECH INDUSTRIES BHD	5.920	80.74	86.64	95.74	5.990
MALAYSIAN BULK CARRIERS BHD	0.735	78.40	83.35	90.36	0.755
PETRA ENERGY BHD	1.040	78.06	84.19	95.51	1.040
UEM EDGENTA BHD	3.490	77.59	81.60	84.84	3.500
NTPM HOLDINGS BHD	0.435	76.26	86.26	98.92	0.440
PENTAMASTER CORP BHD	3.970	75.25	81.01	96.07	4.000
BUMI ARMADA BERHAD	0.305	73.36	76.79	82.72	0.305
GREEN PACKET BHD	0.680	73.19	76.33	86.07	0.685
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
MALAYAN BANKING BHD	8.900	70.78	80.31	98.06	8.980

*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
AXIATA GROUP-C39	0.060	18.35	11.67	1.84	0.050	31/1/2020
TELEKOM MALAY-C53	0.025	19.69	25.72	73.24	0.015	28/2/2020
SAPURA ENERGY-C76	0.030	22.23	13.41	0.39	0.025	31/1/2020
HANG SENG IND-5P	0.005	26.01	22.90	34.73	0.005	27/9/2019
HANG SENG IND-6S	0.120	28.74	19.94	2.24	0.120	30/10/2019
SAPURA ENERGY-C78	0.040	28.85	31.84	33.61	0.040	11/2/2020
HANG SENG IND-6P	0.015	29.05	21.24	3.34	0.010	27/9/2019
HANG SENG IND-6Q	0.050	29.84	22.10	3.49	0.050	27/9/2019

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
GREEN PACKET BHD-WB	0.255	85.81	90.11	98.98	0.260	24/11/2023
OCK GROUP-WA	0.130	77.44	83.71	97.03	0.135	15/12/2020
MTOUCHE TECHNOLOGY-WB	0.020	72.40	89.27	99.99	0.020	16/3/2020
PENTAMASTER C-CC	0.260	70.16	77.04	94.35	0.270	31/1/2020
DATASONIC GROUP BHD-WA	0.435	70.09	71.37	88.59	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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