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## Research Highlights

### NEWS HIGHLIGHTS

- **Yinson's USD1.0b Vietnam charter contract terminated amid China-Vietnam dispute (Comment included in Kenanga Today)**
- **KNM bags job worth USD12.7m in Thailand**
- **Country Heights CEO resigns after failing to restructure debts**
- **Glomac to launch RM903.0m properties in second half of FY20**
- **Fintec Global buys 19.8% stake in Komarkcorp for RM16m**

### MACRO BITS

- **Saudi oil output to recover in two or three weeks after attack: sources**
- **U.S., Chinese trade deputy talks to start on Thursday**
- **Malaysia fast-tracks investments to win trade-war business**
- **Govt to liberalise power industry**
- **Govt still looking at solutions for Malaysia Airlines: Dr Mahathir**
- **China's home price growth at weakest in nearly a year, developers seen cutting prices**
- **Japan seeks to confirm no additional tariffs on auto exports to U.S.: Motegi**
- **Indonesia central bank likely to cut rates again to shore up economy: Reuters poll**
- **U.S. manufacturing production rebounds; trend still weak**
- **Divided Fed set to cut interest rates this week, but then what?**
- **Trump says U.S. reaches trade deals with Japan, no word on cars**
- **British PM could recall parliament if suspension ruled unlawful**
- **German economic outlook remains negative despite improved investor morale: ZEW**

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

- **Company Update: IHH**
- **On Our Radar: ALLIANZ**
- **On Our Technical Watch: MHB, SCOMNET**

BURSA	17-Sep	Day chg	% chg
KLCI	1,604.3	3.05	0.19%
FTSE EMAS	11,321.7	10.4	0.09%
FTSE Smallcap	13,083.5	39.31	0.30%
FTSE MESDAQ	4,533.0	-24.0	-0.53%
KLSE Mkt Cap (RM'b)	1,616.0	2.8	0.17%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-109.07	40.72
Local Retail	50.39	18.35
Foreign	58.68	40.93

INDICES	17-Sep	Day chg	% chg
Dow Jones	27,110.8	34.0	0.13%
S&P 500	3,005.7	7.7	0.26%
NASDAQ	8,186.0	32.5	0.40%
FTSE-100	7,320.4	-1.0	-0.01%
Nikkei 225	22,001.3	N.A.	N.A.
SHCOMP	2,978.1	-52.6	-1.74%
HSI	26,790.2	-334.3	-1.23%
STI	3,183.0	-20.9	-0.65%
KOSPI	2,062.3	0.1	0.01%
TWSE	10,874.5	-23.6	-0.22%
JCI	6,236.7	17.3	0.28%
SET	1,663.9	1.0	0.06%

FOREX	17-Sep	16-Sep	% chg
USD/MYR:	4.1825	N.A.	N.A.
EUR/USD:	1.1025	1.1039	-0.13%
GBP/USD:	1.2403	1.2451	-0.39%
USD/YEN:	108.13	107.76	0.34%
USD/SGD:	1.3767	1.3741	0.19%
USD/HKD:	7.8237	7.8203	0.04%

### KEY STATS

KLCI Spot			
Vol (m shares):	2,730.7	2,104.2	29.77%
Value (RMm):	2,181.7	1,502.4	45.21%
KLCI Future			
September-19	1,591.0	1,594.0	-0.19%
October-19	1,592.0	1,595.5	-0.22%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	893.8	900.0	-0.69%
SoyOil (USc/lb)	30.0	30.3	-0.96%
Gold (US\$/troy oz)	1,506.9	1,504.8	0.14%
Nymex crude oil (US\$/bbl)	59.3	62.9	-5.66%
Latex (RM/kg)	4.46	4.41	1.25%
Tin (US\$/mt)	16,859.0	17,158.0	-1.74%

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PCEM	7.77	4.9	14.30	PCEM	7.77	4.9	14.30	AMBANK	4.10	-1.7	2.59
2	MAYBANK	8.90	0.0	13.90	MAXIS	5.70	1.8	2.83	HLFG	16.50	-1.2	0.32
3	CIMB	5.00	-0.4	13.40	PETGAS	16.42	1.1	1.25	TENAGA	13.62	-1.2	5.23
4	GENTING	5.84	0.0	10.50	MISC	7.79	0.7	3.33	KLK	23.58	-0.7	2.45
5	SIME	2.35	0.4	10.40	AIRPORT	8.56	0.6	2.37	GENM	3.20	-0.6	8.90
6	GENM	3.20	-0.6	8.90	RHBBANK	5.68	0.5	6.36	CIMB	5.00	-0.4	13.40
7	PBBANK	20.16	0.1	8.53	IHH	5.69	0.5	3.13	PPB	18.52	-0.2	1.21
8	DIALOG	3.50	0.3	7.43	PETDAG	23.42	0.5	0.61	AXIATA	4.27	0.0	5.59
9	RHBBANK	5.68	0.5	6.36	SIME	2.35	0.4	10.40	GENTING	5.84	0.0	10.50
10	AXIATA	4.27	0.0	5.59	SIMEPLT	4.88	0.4	3.05	HAPSENG	9.90	0.0	0.61

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

## Corporate News

- **Yinson's USD1.0b Vietnam charter contract terminated amid China-Vietnam dispute**

Yinson Holdings Bhd's 49%-owned joint venture in Vietnam for a charter contract worth USD1.0b over a 15-year period has been terminated due to a "prolonged force majeure event", which is widely understood to be the overlapping claims in South China Sea between Vietnam and China. Yinson said the joint venture, PTSC Ca Rong Do Ltd, will assert its rights under all relevant contracts and in laws, for any advances, claims, liabilities, losses or damages against or suffered by it in any way concerning the matter. Yinson owns 49% of PTSC Ca Rong through its indirect wholly-owned subsidiary Yinson Clover Ltd, while the remaining 51% stake is held by Vietnam's state-owned PetroVietnam Technical Services Corp (PTSC). The effective date of the termination will be determined upon discussions between Talisman Vietnam 07/03 BV (TLV) and PTSC. The contract was meant for the supply of a floating production, storage and offloading (FPSO) facility for the Ca Rong Do Field Development located in Block 07/03 in the Eastern Sea Offshore Vietnam (CRD Field). (*The Edge*)

*Comment: We are neutral over the news, as we view this as a formality for a contract termination following a "force majeure event" announced March-2018, which resulted in scheduled work program for the CRD Project being directed not to be carried out. Following this, we believe YINSON is able to seek for compensation for costs incurred thus far for the project, which we guesstimate to be around the region of USD7-10m. Overall, smallish news to provide updates regarding the FPSO CRD issue, but we do not expect this to draw any overreaction. No changes to our FY20/21E numbers, with OP call and SoP-TP maintained at RM7.75 implying 22x PER on FY21E, which is near +2SD from its 5-year mean. (By: Steven Chan)*

- **KNM bags job worth USD12.7m in Thailand**

KNM Group Bhd has bagged a contract worth USD12.7m (RM53.3m) in Thailand. In a filing, KNM said its unit KNM Process Systems Sdn Bhd had accepted a purchase order dated Sept 10 for the supply of big size CS/CLD columns and vessels up to 60MM for the Clean Fuel Project at the existing major oil refinery in Sriracha, Chonburi, on the east coast of Thailand as operated by Thai Oil Public Co Ltd. It said the order was received from PSS Netherlands B.V. Sharjah Branch. (*The Edge*)

- **Country Heights CEO resigns after failing to restructure debts**

Country Heights Holdings Bhd group chief executive officer (CEO) Datuk Low Kok Thai has resigned just six months after he was appointed to the post. The resignation, was "due to his unsuccessful efforts in assisting Country Heights and its group of companies in restructuring the debts after exhausting all avenues with the local financial institutions", the group said in a filing with Bursa Malaysia. Low, 49, was appointed as the CEO on March 15. Country Heights shares were not traded. The counter last traded at RM1.32 on Sept 6, giving the group a market capitalisation of RM361.1m. (*The Edge*)

- **Glomac to launch RM903.0m properties in second half of FY20**

Glomac Bhd targets to accelerate the pace of new launches in the second half of this financial year ending April 30, 2020 (FY20) featuring a diverse range of products with a total estimated gross development value (GDV) of RM903.0m. "The upcoming launches will remain in the mid-market and affordable segments while the landed residential projects in townships such as Saujana Perdana and Saujana KLIA continue to sustain steady sales," the property developer said in a statement in conjunction with the release of its results for the first quarter of FY20. (*Bernama*)

- **Fintec Global buys 19.8% stake in Komarkcorp for RM16m**

Fintec Global Bhd is acquiring a 19.8% stake in label printing and packaging solution services provider Komarkcorp Bhd for RM16.4m. Fintec Global's wholly-owned subsidiary Asiabio Capital Sdn Bhd is buying the stake from Koh Hong Muan @ Koh Gak Siong and Aimas Enterprise Sdn Bhd, the group said in a filing with Bursa Malaysia. It is acquiring a 15.8% stake in Komarkcorp from Koh and 4.0% stake from Aimas, in which Koh also owns a 16.7% interest. The other shareholders of Aimas are Koh Chie Jooi, Koh Chee Mian, Koh Chee Kian, Koh Chee Hao and Lee Poh Tin. Each of them own a 16.66% stake. (*The Edge*)

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## Macro Bits

### Global

- [Saudi oil output to recover in two or three weeks after attack: sources](#) Saudi Arabia sought to calm markets on Tuesday after an attack on its oil facilities, with sources in the kingdom saying output was recovering much more quickly than initially forecast and could be fully back in two or three weeks. *(Reuters)*
- [U.S., Chinese trade deputy talks to start on Thursday](#) Deputy-level U.S.-China trade talks are scheduled to start in Washington on Thursday, the U.S. Trade Representative's office said, paving the way for high-level talks in October aimed at resolving a bitter, 14-month trade war. *(Reuters)*

### Malaysia

- [Malaysia fast-tracks investments to win trade-war business](#) Malaysia has set up a panel to fast-track investments as it seeks to woo businesses affected by the US-China trade dispute and it approved more than USD500m in new proposals this month, a government minister said. *(The Edge Markets)*
- [Govt to liberalise power industry](#) The Cabinet has approved a 10-year masterplan to reform the domestic power industry, in which the government will now stop approving new independent power production projects that come with power purchase agreements (PPA). *(The Edge Markets)*
- [Govt still looking at solutions for Malaysia Airlines: Dr Mahathir](#) The government is still looking at solutions for troubled Malaysia Airlines, Prime Minister Tun Dr Mahathir Mohamad said. *(The Edge Markets)*

### Asia Pacific

- [China's home price growth at weakest in nearly a year, developers seen cutting prices](#) China's new home prices grew at their weakest pace in nearly a year in August as a cooling economy and existing curbs on speculative buying put a dent on overall demand. *(Reuters)*
- [Japan seeks to confirm no additional tariffs on auto exports to U.S.: Motegi](#) Japan plans to reconfirm in the final stage of trade talks with the United States that Washington will not impose additional tariffs on Japanese vehicles and auto parts, Foreign Minister Toshiimitsu Motegi said on Tuesday. *(Reuters)*
- [Indonesia central bank likely to cut rates again to shore up economy: Reuters poll](#) Indonesia's central bank is expected to cut its benchmark rate on Thursday, for the third meeting in a row, to support growth, a small majority of economists forecast in a Reuters poll. *(Reuters)*

### Americas

- [U.S. manufacturing production rebounds; trend still weak](#) U.S. manufacturing output increased more than expected in August, boosted by a surge in machinery and primary metals production, but the outlook for factories remains weak against the backdrop of trade tensions and slowing global economies. *(Reuters)*
- [Divided Fed set to cut interest rates this week, but then what?](#) Deep disagreements within the Federal Reserve over the economic outlook and how the U.S. central bank should respond will not stop policymakers from cutting interest rates at a two-day meeting that begins on Tuesday. *(Reuters)*
- [Trump says U.S. reaches trade deals with Japan, no word on cars](#) U.S. President Donald Trump said Washington had struck trade agreements with Tokyo that could be implemented without congressional approval, but stopped short of assuring Japan that new tariffs would not be slapped on vital auto exports. *(Reuters)*

### Europe

- [British PM could recall parliament if suspension ruled unlawful](#) Boris Johnson could recall parliament if Britain's highest court rules he unlawfully suspended it, a government lawyer said on Tuesday, after judges heard the prime minister wanted a shutdown because it was an obstacle to his Brexit plans. *(Reuters)*
- [German economic outlook remains negative despite improved investor morale: ZEW](#) The mood among German investors improved more than expected in September, but the ZEW institute warned that the outlook for Europe's largest economy remained negative due to trade disputes and Brexit uncertainty. *(Reuters)*

18 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	58.800	8.49	4.83	0.39	58.800
AJINOMOTO MALAYSIA BHD	16.380	20.81	14.36	4.07	16.020
PUBLIC BANK BERHAD	20.160	22.68	24.89	44.33	20.000
STAR MEDIA GROUP BHD	0.550	22.83	21.23	16.72	0.540
TH PLANTATIONS BHD	0.345	22.91	19.11	9.13	0.340
PANASONIC MANUFACTURING MALA	37.820	24.54	17.72	2.80	37.700
KUMPULAN FIMA BHD	1.640	26.19	20.41	8.96	1.640
MAH SING GROUP BHD	0.815	26.74	22.96	10.15	0.815
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
AXIATA GROUP BERHAD	4.270	29.41	27.50	32.12	4.010

\*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
PRG HOLDINGS BHD	0.910	94.32	98.19	100.00	0.930
MAGNI-TECH INDUSTRIES BHD	6.210	85.30	90.76	98.13	6.250
MALYSIAN BULK CARRIERS BHD	0.785	82.77	87.75	95.43	0.785
PETRA ENERGY BHD	1.070	79.58	85.72	96.61	1.100
PINTARAS JAYA BHD	3.380	78.78	79.96	68.46	3.430
NTPM HOLDINGS BHD	0.435	76.26	86.26	98.92	0.440
BUMI ARMADA BERHAD	0.315	75.35	79.10	86.68	0.330
GREEN PACKET BHD	0.690	74.85	78.77	90.36	0.710
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
HAI-O ENTERPRISE BHD	2.430	71.54	77.66	85.23	2.480
MALAYAN BANKING BHD	8.900	70.78	80.31	98.06	8.980
MALAYSIA MARINE AND HEAVY EN	0.890	70.32	80.46	95.77	0.930

\*Only for stocks with market cap &gt;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-C42	0.055	5.95	6.85	9.44	0.055	31/3/2020
TELEKOM MALAY-C53	0.020	18.04	21.73	35.23	0.015	28/2/2020
AXIATA GROUP-C39	0.060	18.35	11.67	1.84	0.050	31/1/2020
HANG SENG IND-5P	0.005	26.01	22.90	34.73	0.005	27/9/2019
AIRASIA GROUP-C87	0.040	26.51	26.05	11.09	0.040	31/1/2020
HANG SENG IND-6P	0.010	28.56	20.63	2.74	0.010	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	0.265	87.33	91.68	99.46	0.265	24/11/2023
BUMI ARMADA B-C51	0.225	82.76	87.78	91.78	0.245	30/6/2020
OCK GROUP-WA	0.140	80.12	86.26	98.00	0.140	15/12/2020
MMAG HOLDINGS BHD -WB	0.110	71.65	73.53	72.57	0.120	27/11/2022

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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