

24 September 2019

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## Research Highlights

BURSA	23-Sep	Day chg	% chg
KLCI	1,592.9	-4.48	-0.28%
FTSE EMAS	11,252.4	-30.5	-0.27%
FTSE Smallcap	13,034.0	-48.97	-0.37%
FTSE MESDAQ	4,572.3	-1.0	-0.02%
KLSE Mkt Cap (RM'b)	1,605.5	-4.5	-0.28%

### NEWS HIGHLIGHTS

- Syed Mokhtar raises stake in Media Prima to 31.2% (Comment included in Kenanga Today)
- Minority shareholders block Lafarge's RM3.5b RPT with YTL Cement
- Gaming tycoon Chen Lip Keong to take Karambunai Corp private
- Reject Lien Hoe takeover offer — Mercury Securities
- Will Chinese businessman be Bertam Alliance's white knight?

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-0.77	48.56
Local Retail	-10.68	22.68
Foreign	11.45	28.76

### MACRO BITS

- The trade war is weighing 'like a big, dark cloud' on the global economy, says Christine Lagarde
- The US has nothing to gain from a protracted trade dispute with China
- Lim: Budget 2020 to create more jobs
- ICAEW: Malaysia's exports momentum has outperformed Southeast Asian peers
- Budget 2020: Government to introduce new schemes for property market
- Sabah says hoping to get 20.0% oil royalty in Budget 2020
- Kedah needs federal gov't's help to narrow devt gap with other states — Mukhriz
- ASEAN faces more risks ahead of next downturn
- Indonesian parliament body approves gov't's USD180.0b budget for 2020
- U.S. IHS Markit services employment gauge dips into contraction
- The US economy isn't in the clear. A recession is still on the table
- Draghi's highway to inflation goal risks ending in taper tantrum
- German industrial recession drags economy deeper into slump

INDICES	23-Sep	Day chg	% chg
Dow Jones	26,950.0	14.9	0.06%
S&P 500	2,991.8	-0.3	-0.01%
NASDAQ	8,112.5	-5.2	-0.06%
FTSE-100	7,326.1	-18.8	-0.26%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	2,977.1	-29.4	-0.98%
HSI	26,222.4	-213.3	-0.81%
STI	3,143.2	-16.4	-0.52%
KOSPI	2,091.7	0.2	0.01%
TWSE	10,919.0	-10.7	-0.10%
JCI	6,206.2	-25.3	-0.41%
SET	1,622.8	-13.4	-0.82%

FOREX	23-Sep	20-Sep	% chg
USD/MYR:	4.1795	4.1682	0.27%
EUR/USD:	1.0984	1.1017	-0.30%
GBP/USD:	1.2423	1.2478	-0.44%
USD/YEN:	107.46	107.56	-0.09%
USD/SGD:	1.3782	1.3766	0.12%
USD/HKD:	7.8398	7.8367	0.04%

### KEY STATS

KLCI Spot			
Vol (m shares):	2,029.7	3,103.1	-34.59%
Value (RMm):	1,385.8	3,285.5	-57.82%
KLCI Future			
September-19	1,582.0	1,589.5	-0.47%
October-19	1,585.0	1,591.5	-0.41%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	892.5	882.8	1.10%
SoyOil (USc/lb)	29.3	29.4	-0.31%
Gold (US\$/troy oz)	1,524.0	1,508.0	1.06%
Nymex crude oil (US\$/bbl)	58.6	58.1	0.95%
Latex (RM/kg)	4.41	4.40	0.23%
Tin (US\$/mt)	16,524.0	16,726.0	-1.21%

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

- Company Update: AIRASIA, TENAGA
- On Our Technical Watch: D&O, GENTING

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	CIMB	5.04	0.4	13.00	GENTING	5.94	2.4	5.59	SIMEPLT	4.75	-2.9	1.19
2	GENM	3.10	1.6	8.59	GENM	3.10	1.6	8.59	MAXIS	5.55	-2.1	1.06
3	TOPGLOV	4.75	0.0	7.29	DIGI	4.72	1.1	6.25	PICHEM	7.54	-2.0	6.97
4	PICHEM	7.54	-2.0	6.97	CIMB	5.04	0.4	13.00	AIRPORT	8.61	-1.6	0.91
5	DIGI	4.72	1.1	6.25	AXIATA	4.29	0.2	2.65	PMETAL	4.84	-1.4	0.79
6	GENTING	5.94	2.4	5.59	PPB	18.26	0.2	0.97	PETGAS	16.42	-1.2	0.25
7	MAYBANK	8.72	-0.1	3.99	RHBBANK	5.65	0.2	3.85	AMBANK	4.17	-1.0	1.77
8	RHBBANK	5.65	0.2	3.85	KLK	23.10	0.2	0.39	IOICORP	4.38	-0.5	1.53
9	PBBANK	20.14	-0.1	3.31	NESTLE	145.40	0.1	0.08	TENAGA	13.64	-0.4	1.07
10	DIALOG	3.46	-0.3	3.18	HLFG	16.16	0.1	0.11	PETDAG	23.30	-0.4	0.28

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Syed Mokhtar raises stake in Media Prima to 31.2%**

Aurora Mulia Sdn Bhd, the company linked to tycoon Tan Sri Syed Mokhtar Al-Bukhary, has raised its stake in Media Prima Bhd to 31.2%. This follows its acquisition of 88.3m shares, representing a 7.9% stake in the media group on Sept 19, in a direct business transaction. Media Prima notified Bursa Malaysia of the transaction in a filing. Aurora Mulia Sdn Bhd, the company linked to tycoon Tan Sri Syed Mokhtar Al-Bukhary, has raised its stake in Media Prima Bhd to 31.2%. (*The Edge*)

*Comment: We are neutral on the news, as we are unclear on the plans that Syed Mokhtar has for the business. Thus as for now, given the lacklustre and structural weakness that persist in the media industry, we are maintaining our underperform call for MEDIA with an unchanged TP of RM0.260 based on FY19 targeted P/NTA of 1.0x (in-line with its historical-low P/NTA, and implied c.-1.5SD below its 3-year mean) to reflect the on-going structural challenges that the industry faces. (By: Clement Chua)*

- **Minority shareholders block Lafarge's RM3.5b RPT with YTL Cement**

Minority shareholders of Lafarge Malaysia Bhd voted down a resolution that would have mandated the company to undertake recurrent related party transactions (RPT) worth RM3.5b in aggregate, with its new controlling shareholder YTL Cement Bhd and its subsidiaries. The Yeoh Siblings — Tan Sri Yeoh Sock Ping, Datuk Seri Yeoh Sock Siong, Datuk Yeoh Seok Kian, Datuk Yeoh Seok Hong and Datuk Yeoh Soo Keng — being interested directors and common directors in the proposed recurrent RPT, had abstained from voting. According to Lafarge's circular to shareholders, the proposed new mandate would have allowed Lafarge to deal with YTL Cement on the sale and purchase of materials such as clinker, cement, pulverised fly ash, slag, drymix, aggregates, and manufacturing sand. (*The Edge*)

- **Gaming tycoon Chen Lip Keong to take Karambunai Corp private**

Karambunai Corp Bhd's largest shareholder Tan Sri Dr Chen Lip Keong, who holds 73.4% stake in the company, intends to take Karambunai private in a deal worth an estimated RM184.7m. Karambunai told Bursa Malaysia in a filing that it has received an unconditional voluntary takeover offer from UOB Kay Hian Securities (M) Sdn Bhd on behalf of Chen to acquire the remaining 1.5b shares or 26.6% interest in the company not already held by him, at a cash price of 11.0 sen per share. He is also offering 3.0 sen apiece for the remaining 523.5m warrants, representing 51.6% of the outstanding warrants he does not hold. (*The Edge*)

- **Reject Lien Hoe takeover offer — Mercury Securities**

Independent adviser Mercury Securities Sdn Bhd has recommended that Lien Hoe Corp Bhd shareholders reject Christine Holding Sdn Bhd's proposal to buy the remaining shares in Lien Hoe at 25.5 sen each because the takeover offer is "not fair" and "not reasonable". Mercury Securities said in a circular to Lien Hoe shareholders that the offer is not fair because the offer price of 25.5 sen is lower than the estimated value and historical market price of Lien Hoe shares. The independent adviser derived an estimated value of RM1.5 each for Lien Hoe shares. (*The Edge*)



- **Will Chinese businessman be Bertam Alliance's white knight?**

Property developer Bertam Alliance Bhd says it is roping in a Chinese white knight to help lift it from the Practice Note 17 (PN17) status. In a bourse filing, the loss-making Bertam said it has entered into a memorandum of understanding (MoU) with Liu Sheng Hui to negotiate in good faith with a view of entering into a definitive collaboration and/or joint venture (JV) agreement for Liu to participate in its proposed regularisation plan, which would involve a proposed private placement. The proposed regularisation plan would also involve proposed development of parcels of land owned by Bertam, specifically the 1.1ha Taman Luyang development in Kota Kinabalu, Sabah and the 1.71ha of leasehold land in Kepayan, Penampang, Sabah. (*The Edge*)

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## Macro Bits

### Global

- [The trade war is weighing 'like a big, dark cloud' on the global economy, says Christine Lagarde](#) For incoming European Central Bank President Christine Lagarde, the U.S.-China trade war is the biggest threat to the global economy. *(CNBC)*
- [The US has nothing to gain from a protracted trade dispute with China](#) China has done very well on its U.S. goods trade while the two countries led their trade talks over nearly three years to apparently irreconcilable negotiating positions. *(CNBC)*

### Malaysia

- [Lim: Budget 2020 to create more jobs](#) Creating more jobs and helping small businesses will be among the thrusts of Budget 2020, said Finance Minister Lim Guan Eng. He said this was necessary as many youths, including graduates, were jobless. *(The Star Online)*
- [ICAEW: Malaysia's exports momentum has outperformed Southeast Asian peers](#) Malaysia's exports momentum has outperformed in Southeast Asia, according to the Institute of Chartered Accountants in England and Wales (ICAEW). *(The Sun Daily)*
- [Budget 2020: Government to introduce new schemes for property market](#) Putrajaya is mulling a homeownership scheme for those who have problems securing a home loan in the upcoming Budget 2020, said Deputy Finance Minister Datuk Wira Amiruddin Hamzah. *(The Edge Markets)*
- [Sabah says hoping to get 20.0% oil royalty in Budget 2020](#) The Sabah state government said today it is hoping that the 20.0% oil royalty it was promised during the last general election will finally be given during the upcoming federal Budget to be tabled on October 11. *(Malay Mail)*
- [Kedah needs federal govt's help to narrow devt gap with other states — Mukhriz](#) Kedah needs the federal government's assistance to narrow its economic development gap with other states, says Menteri Besar, Datuk Seri Mukhriz Tun Mahathir. *(The Edge Markets)*

### Asia Pacific

- [ASEAN faces more risks ahead of next downturn](#) Several structural shifts have left ASEAN more exposed to an economic downturn than during the last global financial crisis a decade ago. *(The Asean Post)*
- [Indonesian parliament body approves govt's USD180.0b budget for 2020](#) The Indonesian parliament's budgetary committee on Thursday approved President Joko Widodo's plans to spend 2,540.4 trillion rupiah (USD180.0b) in 2020, in a budget with an estimated fiscal deficit of 1.8% of GDP, its chairman Kahar Muzakir said. *(Reuters)*

### Americas

- [U.S. IHS Markit services employment gauge dips into contraction](#) A gauge of employment in U.S. service industries pointed to job losses for the first time in almost a decade, adding to signs of a cooling labor market. *(Bloomberg)*
- [The US economy isn't in the clear. A recession is still on the table](#) The stock market is once again nearing record highs amid investor hopes that a recession is off the table — at least for now. *(CNN)*

### Europe

- [Draghi's highway to inflation goal risks ending in taper tantrum](#) The European Central Bank's new message on how long it'll keep interest rates low is supportive for the economy, but could prove risky for markets. President Mario Draghi raised the bar for any future policy tightening with a pledge that a new round of quantitative easing will end only "shortly before" key interest rates rise. *(Bloomberg)*
- [German industrial recession drags economy deeper into slump](#) Germany's economy is suffering its worst downturn in almost seven years as a manufacturing slump deepens, raising pressure on the government to add fiscal stimulus. *(Bloomberg)*



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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
EASTERN & ORIENTAL BHD	0.675	15.37	9.85	1.06	0.675
AMANAHRAYA REIT	0.785	20.68	14.52	1.91	0.775
PUBLIC BANK BERHAD	20.140	22.13	23.57	18.04	20.000
MAH SING GROUP BHD	0.780	22.34	18.80	12.72	0.770
PANASONIC MANUFACTURING MALA	37.780	25.22	19.30	18.36	37.700
PESTECH INTERNATIONAL BHD	1.180	25.44	17.97	4.00	1.170
Y.S.P.SOUTHEAST ASIA HOLDING	2.290	25.46	21.87	5.50	2.280
KUMPULAN PERANGSANG SELANGOR	0.700	25.77	25.22	6.92	0.700
STAR MEDIA GROUP BHD	0.540	26.97	27.78	30.34	0.540
TASEK CORP BHD	5.300	27.23	22.25	30.19	5.200
BAHVEST RESOURCES BHD	0.510	27.72	23.89	25.17	0.495
MPHB CAPITAL BHD	1.060	27.80	18.68	5.26	1.040
AIRASIA X BHD	0.165	27.99	24.90	5.88	0.165
MCT BHD	0.215	28.19	26.33	16.54	0.210
DUTCH LADY MILK INDS BHD	58.540	28.32	30.65	53.32	56.200
PPB GROUP BERHAD	18.260	28.55	24.73	31.07	17.900
LAFARGE MALAYSIA BHD	3.040	28.72	20.86	4.69	3.030
FIMA CORP BHD	1.780	29.98	28.92	33.33	1.760

\*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	1.080	96.93	99.20	100.00	1.080
MAGNI-TECH INDUSTRIES BHD	6.350	81.87	84.37	76.04	6.500
HAI-O ENTERPRISE BHD	2.570	81.34	88.21	97.69	2.570
MEGA FIRST CORP BHD	4.190	80.64	87.23	97.77	4.190
DUFU TECHNOLOGY CORP BHD	2.750	79.92	83.31	94.86	2.810
PENTAMASTER CORP BHD	4.270	77.90	81.82	90.54	4.270
PINTARAS JAYA BHD	3.360	74.86	73.35	42.66	3.430
BUMI ARMADA BERHAD	0.340	74.24	75.91	73.43	0.355
PETRA ENERGY BHD	1.070	73.48	74.80	52.36	1.140
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
LII HEN INDUSTRIES BHD	3.110	71.49	75.84	80.25	3.150
GLOBETRONICS TECHNOLOGY BHD	1.880	71.10	79.95	97.02	1.940
INARI AMERTRON BHD	1.780	70.98	77.23	82.07	1.780
V.S. INDUSTRY BERHAD	1.380	70.23	75.86	89.52	1.380

\*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
HENGYUAN REFI-C10	0.025	16.17	14.20	16.83	0.025	23/12/2019
MY EG SERVICE-C79	0.050	17.63	15.52	0.43	0.050	31/3/2020
AXIATA GROUP-C39	0.060	18.35	11.67	1.84	0.050	31/1/2020
TELEKOM MALAY-C47	0.080	28.18	25.99	22.47	0.075	31/1/2020
FGV HOLDINGS-C78	0.025	29.65	31.20	35.87	0.025	31/1/2020
PCCS GROUP-WA	0.145	29.80	21.19	1.39	0.145	25/12/2022

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	0.260	77.54	75.12	38.88	0.270	24/11/2023
PENTAMASTER C-CE	0.280	76.68	83.77	93.98	0.280	28/2/2020
STRAITS INTER LOGISTIC-WA	0.130	76.12	84.28	94.79	0.130	10/8/2022
INARI AMERTRO-C48	0.100	75.00	76.26	96.35	0.105	31/3/2020
MEGA FIRST -WA	1.940	73.52	80.18	95.27	1.940	8/4/2020

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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