

26 September 2019

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Research Highlights

BURSA	25-Sep	Day chg	% chg
KLCI	1,589.6	-2.75	-0.17%
FTSE EMAS	11,239.8	-12.5	-0.11%
FTSE Smallcap	12,977.9	-88.01	-0.67%
FTSE MESDAQ	4,539.2	-20.7	-0.45%
KLSE Mkt Cap (RM'b)	1,603.3	-2.5	-0.16%

NEWS HIGHLIGHTS

- **Widad gets RM120.0m contract to build new solid waste transfer station in Kepong**
- **Daibochi posts record quarterly revenue of RM123.3m**
- **Pansar 'cautiously upbeat' with infra projects coming on-stream, oil price recovery**
- **Perdana Petroleum bags jobs worth up to RM48.0m from Petronas Carigali**
- **Jewellery maker Degem says its major shareholder wants to take the company private**

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	46.78	50.32
Local Retail	16.13	23.50
Foreign	-62.91	26.18

MACRO BITS

- **U.S. slaps new sanctions on Chinese entities over Iran oil**
- **EU eyes USD4.0b tariff strike to take trade fight to Trump**
- **August 1.5% uptick driven by higher food price index, core inflation unchanged (See Economic Viewpoint: Malaysia Consumer Price Index)**
- **MITI hopes for more funds for SMEs in Budget 2020**
- **Malaysia tells banks to report exposure to climate change risk**
- **Policy rate unchanged, growth outlook slashed (See Economic Viewpoint: Bank of Thailand MPC Decision)**
- **Asia seeks ways to cope with trade war's hit to China demand**
- **Thailand devises policies to push economic development**
- **U.S. new home sales rise more than forecast as rates fall**
- **Brazil's central bank takes 'hands off' approach to FX, focuses on growth**
- **U.K. budget deficit is increasing amid easing of austerity**
- **No-deal Brexit is biggest risk for Spain's economy, Sanchez says**

INDICES	25-Sep	Day chg	% chg
Dow Jones	26,970.7	162.9	0.61%
S&P 500	2,984.9	18.3	0.62%
NASDAQ	8,077.4	83.8	1.05%
FTSE-100	7,290.0	-1.4	-0.02%
Nikkei 225	22,020.2	-78.7	-0.36%
SHCOMP	2,955.4	-29.9	-1.00%
HSI	25,945.4	-335.7	-1.28%
STI	3,125.8	-29.6	-0.94%
KOSPI	2,073.4	-27.7	-1.32%
TWSE	10,873.7	-44.3	-0.41%
JCI	6,146.4	8.8	0.14%
SET	1,628.4	-2.1	-0.13%

FOREX	25-Sep	24-Sep	% chg
USD/MYR:	4.1915	4.1815	0.24%
EUR/USD:	1.0994	1.0988	0.05%
GBP/USD:	1.2414	1.2444	-0.24%
USD/YEN:	107.32	107.69	-0.34%
USD/SGD:	1.3779	1.3769	0.07%
USD/HKD:	7.8367	7.8399	-0.04%

KEY STATS

KLCI Spot			
Vol (m shares):	2,194.7	1,975.6	11.09%
Value (RMm):	1,622.3	1,572.3	3.18%
KLCI Future			
September-19	1,582.5	1,590.0	-0.47%
October-19	1,582.5	1,589.0	-0.41%
CPO Price (RM/tonne)	2,147.0	2,141.0	0.28%
Soybean (US\$/bu)	889.3	894.3	-0.56%
SoyOil (USc/lb)	29.2	29.3	-0.44%
Gold (US\$/troy oz)	1,505.1	1,532.6	-1.79%
Nymex crude oil (US\$/bbl)	56.5	57.3	-1.40%
Latex (RM/kg)	4.36	4.39	-0.57%
Tin (US\$/mt)	16,515.0	16,483.0	0.19%

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Results Notes: UMCCA, YINSON**
- **On Our Technical Watch: SIME, DAYANG**
- **Economic Viewpoint: Malaysia CPI, BoT MPC Decision**

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	AXIATA	4.27	-1.2	6.53	IOICORP	4.40	1.2	2.00	SIME	2.27	-1.7	5.56
2	PBBANK	20.04	-0.3	6.16	PCHEM	7.52	0.8	4.23	GENTING	5.82	-1.2	2.59
3	SIME	2.27	-1.7	5.56	AIRPORT	8.69	0.7	1.03	DIALOG	3.39	-1.2	4.07
4	MISC	7.72	-0.3	4.90	TENAGA	13.72	0.6	4.00	AXIATA	4.27	-1.2	6.53
5	CIMB	5.06	0.4	4.83	CIMB	5.06	0.4	4.83	SIMEPLT	4.85	-1.0	1.00
6	TOPGLOV	4.73	0.0	4.74	PETDAG	23.48	0.3	0.50	AMBANK	4.18	-1.0	0.94
7	PCHEM	7.52	0.8	4.23	HARTA	5.27	0.2	1.61	RHBBANK	5.57	-0.9	2.14
8	MAYBANK	8.62	-0.4	4.08	NESTLE	145.50	0.1	0.21	GENM	3.08	-0.7	3.59
9	DIALOG	3.39	-1.2	4.07	HLFG	16.12	0.1	0.66	HLBANK	16.26	-0.6	1.05
10	TENAGA	13.72	0.6	4.00	DIGI	4.69	0.0	2.43	KLK	22.98	-0.6	0.11

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Widad gets RM120.0m contract to build new solid waste transfer station in Kepong**

Widad Group Bhd, formerly known as Ideal Jacobs (Malaysia) Corp Bhd, has secured an RM120.0m contract to design and build a new solid waste transfer station in Taman Beringin, Jinjang Utara, Kepong here. Its wholly-owned Widad Builders Sdn Bhd accepted the Letter of Award from Bumi Segar Indah Sdn Bhd that appoints it as sub-contractor to undertake the project, it said in a stock exchange filing. Widad, which is primarily involved in piling works, sewerage systems, water retaining structures and other such related works, said the project will be financed via internal funds and external borrowings. *(The Edge)*

- **Daibochi posts record quarterly revenue of RM123.3m**

Daibochi Bhd posted a net profit of RM17.3m for the 19 months ended July 31, 2019 while revenue for the period stood at RM699.3m. Daibochi said it posted its best ever quarterly revenue of RM123.3m in the three months ended July 31, on the back of increasing flexible packaging sales in Malaysia and regional markets. However, the group posted a net loss of RM30,500 for the three months ended July. *(The Edge)*

- **Pansar 'cautiously upbeat' with infra projects coming on-stream, oil price recovery**

After posting weaker earnings in its first quarter recently, engineering solutions provider Pansar Bhd said it is "cautiously upbeat" on its near-term financial performance, due to infrastructure projects coming on-stream, the expected recovery of oil prices, and stabilising palm oil prices. "The expected recovery of oil prices will create more business activity in the market which is expected to benefit our marine and industrial engineering segment. We have a healthy order book and we anticipate more orders to be forthcoming. This segment remains the second largest contributor to the company's revenue, accounting for 22.2% in FY19," the group said in a statement. *(The Edge)*

- **Perdana Petroleum bags jobs worth up to RM48.0m from Petronas Carigali**

Perdana Petroleum Bhd has bagged work orders worth up to RM48.0m from Petronas Carigali Sdn Bhd to provide two anchor handling tug supply (AHTS) vessels. In filings with Bursa Malaysia, Perdana Petroleum said its wholly-owned subsidiary Perdana Nautika Sdn Bhd (PNSB) was awarded two work orders on July 29 and Aug 29 respectively by Petronas Carigali to supply the two AHTS vessels. One of the vessels is for one year starting Aug 30, with an extension option of another year. The estimated value of the contract is between RM20.0m and RM40.0m, if the extension option is exercised. Another contract commences in early August for duration of 145 days, with an extension option of 30 days. The estimated value is between RM7.0m and RM8.0m. *(The Edge)*

- **Jewellery maker Degem says its major shareholder wants to take the company private**

Degem Bhd the jewellery maker, said a major shareholder has requested the company to consider a selective capital repayment (SCR) plan and to delist the stock. Under the plan, Degem will return RM1.10 a share to entitled shareholders to cancel their shares. Shares in Degem, which was suspended to make way for the announcement, were last traded at 83.0 sen on Tuesday. It has a market value of RM108.6m. Degem told the stock exchange that it has appointed BDO Capital Consultants Sdn Bhd to advise its independent directors and entitled shareholders on the proposed exercise. *(The Star)*



Macro Bits

Global

- [U.S. slaps new sanctions on Chinese entities over Iran oil](#) The United States is imposing new sanctions on certain Chinese entities and people who it accuses of knowingly transferring oil from Iran in violation of Washington's curbs on Tehran, U.S. Secretary of State Mike Pompeo said on Wednesday. (*Reuters*)
- [EU eyes USD4.0b tariff strike to take trade fight to Trump](#) The European Union is weighing an aggressive new approach to its trade dispute with the U.S., signaling a willingness to engage in the combative tactics embraced by President Donald Trump and risking a further deterioration in transatlantic relations. (*Bloomberg*)

Malaysia

- **August 1.5% uptick driven by higher food price index, core inflation unchanged.** Headline inflation growth increased marginally to 1.5% YoY in August (Jul: 1.4%), matching consensus but a tad lower than house estimate of 1.6%. On a MoM basis, inflation grew by 0.2% (Jul: 0.1%). Meanwhile, the core inflation remained at 2.0% YoY for two straight months. August's inflation growth remained influenced by a low base effect due to the three-month tax holiday period following removal of the Goods and Services Tax in June 2018, as well as the low-price ceiling imposed on domestic fuel prices and adjustment in the retail oil pricing mechanism since early this year. (*See Economic Viewpoint: Malaysia Consumer Price Index*)
- [MITI hopes for more funds for SMEs in Budget 2020](#) The Ministry of International Trade and Industry (MITI) is hoping the government will allocate more funds for small and medium enterprises (SMEs) in Budget 2020 to help them adopt the Industrial Revolution (IR 4.0). (*The Edge Markets*)
- [Malaysia tells banks to report exposure to climate change risk](#) Bank Negara Malaysia will start requiring financial institutions to report their exposures to climate risk, as global economic losses related to natural disasters reach an annual USD160.0b. (*The Edge Markets*)

Asia Pacific

- **Policy rate unchanged, growth outlook slashed.** Policy rate stays. Bank of Thailand (BoT) kept its policy rate unchanged at 1.50%, with a unanimous vote from its seven-member Monetary Policy Committee (MPC), in line with consensus, but contradicting house's view, after unleashing a surprise 25 basis points (bps) rate cut previously. The next MPC meeting will take place on 6 November. (*See Economic Viewpoint: Bank of Thailand MPC Decision*)
- [Asia seeks ways to cope with trade war's hit to China demand](#) Asian countries are looking for catalysts beyond China to drive their economies as the Sino-U.S. trade war forces Chinese demand for their exports to shrink. (*Reuters*)
- [Thailand devises policies to push economic development](#) The Commerce Ministry of Thailand will push three policies to resolve the low price of five agricultural goods, increase cross-border exports and register geographical indication products for sale on e-commerce markets. (*Vietnam Plus*)

Americas

- [U.S. new home sales rise more than forecast as rates fall](#) Sales of new U.S. homes rebounded at a faster pace than forecast in August as a decline in mortgage rates sparked demand for higher-priced properties. (*Bloomberg*)
- [Brazil's central bank takes 'hands off' approach to FX, focuses on growth](#) Seven months into the presidency of Roberto Campos Neto, Brazil's central bank has implemented a quiet revolution in its monetary policy, with the former trader showing a willingness to tolerate a weaker currency. (*Reuters*)

Europe

- [U.K. budget deficit is increasing amid easing of austerity](#) U.K. government borrowing is rising more strongly than expected as a decade of austerity begins to thaw. (*Bloomberg*)
- [No-deal Brexit is biggest risk for Spain's economy, Sanchez says](#) Acting Prime Minister Pedro Sanchez said the biggest threat to Spain's economy is the prospect of the U.K. leaving the European Union without an exit deal next month. (*Bloomberg*)



26 September 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
EASTERN & ORIENTAL BHD	0.645	12.31	7.31	0.54	0.640
AMANAHRAYA REIT	0.765	14.79	9.19	0.64	0.755
MAH SING GROUP BHD	0.755	18.48	14.31	5.15	0.755
PUBLIC BANK BERHAD	20.040	19.46	17.84	2.66	19.960
KUMPULAN PERANGSANG SELANGOR	0.690	23.75	21.71	3.40	0.680
UOA REAL ESTATE INVESTMENT	1.240	24.04	18.38	4.36	1.200
STAR MEDIA GROUP BHD	0.535	24.91	24.59	20.38	0.535
WCT HOLDINGS BHD	0.885	26.64	21.50	8.26	0.880
TUNE PROTECT GROUP BHD	0.575	26.69	21.44	2.99	0.575
PPB GROUP BERHAD	18.220	26.89	22.57	22.09	17.860
KUMPULAN FIMA BHD	1.610	27.86	24.29	13.68	1.600
AIRASIA X BHD	0.165	27.99	24.90	5.88	0.160
SKP RESOURCES BHD	1.030	28.15	26.44	19.19	1.030
PANASONIC MANUFACTURING MALA	37.800	28.35	25.54	50.41	37.500
MCT BHD	0.210	28.81	27.51	22.47	0.210
CARING PHARMACY GROUP BHD	2.000	29.37	19.14	2.85	1.930
HEKTAR REAL ESTATE INVESTMEN	0.985	29.59	19.50	0.43	0.985
YNH PROPERTY BHD	2.410	29.97	27.92	34.54	2.340

*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	1.200	91.70	91.81	84.93	1.300
HAI-O ENTERPRISE BHD	2.730	87.31	93.13	99.33	2.770
MAGNI-TECH INDUSTRIES BHD	6.430	83.17	86.02	85.46	6.640
KARAMBUNAI CORP BHD	0.110	82.45	89.03	98.92	0.110
PENTAMASTER CORP BHD	4.380	79.04	82.50	85.94	4.400
PETRA ENERGY BHD	1.100	75.62	77.97	74.36	1.140
DUFU TECHNOLOGY CORP BHD	2.710	75.47	76.37	68.75	2.810
VITROX CORP BHD	7.450	74.06	82.86	99.55	7.450
GLOBETRONICS TECHNOLOGY BHD	1.920	73.17	80.42	84.62	1.950
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
O.S.K. HOLDINGS BHD	0.980	71.56	77.45	93.06	0.990
BUMI ARMADA BERHAD	0.340	71.33	71.80	67.09	0.355
INARI AMERTRON BHD	1.780	70.98	77.23	82.07	1.780
SUNWAY BHD	1.740	70.92	79.66	97.34	1.740

*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
MY EG SERVICE-C79	0.050	17.63	15.52	0.43	0.050	31/3/2020
EKOVEST BHD-C1	0.095	19.41	13.33	0.37	0.095	31/3/2020
TELEKOM MALAY-C53	0.015	20.81	24.20	20.29	0.015	28/2/2020
WCT HOLDINGS -WE	0.055	23.03	13.87	0.29	0.050	27/8/2020
HIBISCUS PETR-C5	0.045	27.27	23.94	10.13	0.045	31/3/2020
TELEKOM MALAY-C47	0.080	28.18	25.99	22.47	0.075	31/1/2020

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	0.275	81.33	81.47	78.40	0.275	24/11/2023
PENTAMASTER C-CF	0.235	81.08	79.83	71.17	0.250	16/3/2020
INARI AMERTRO-C48	0.105	78.38	81.80	99.42	0.105	31/3/2020
BUMI ARMADA B-C51	0.260	76.66	77.02	67.68	0.295	30/6/2020
PENTAMASTER C-CE	0.290	72.97	76.21	66.83	0.305	28/2/2020
MMAG HOLDINGS BHD -WB	0.125	70.97	72.76	82.56	0.130	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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