

27 September 2019

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## Research Highlights

BURSA	26-Sep	Day chg	% chg
KLCI	1,593.0	3.42	0.22%
FTSE EMAS	11,271.2	31.4	0.28%
FTSE Smallcap	13,054.7	76.81	0.59%
FTSE MESDAQ	4,585.6	46.4	1.02%
KLSE Mkt Cap (RM'b)	1,607.4	4.1	0.26%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-100.52	48.29
Local Retail	0.45	20.23
Foreign	100.07	31.48

INDICES	26-Sep	Day chg	% chg
Dow Jones	26,891.1	-79.6	-0.30%
S&P 500	2,977.6	-7.3	-0.24%
NASDAQ	8,030.7	-46.7	-0.58%
FTSE-100	7,351.1	61.1	0.84%
Nikkei 225	22,048.2	28.1	0.13%
SHCOMP	2,929.1	-26.3	-0.89%
HSI	26,041.9	96.6	0.37%
STI	3,125.8	0.0	0.00%
KOSPI	2,074.5	1.1	0.05%
TWSE	10,872.0	-1.7	-0.02%
JCI	6,230.3	83.9	1.37%
SET	1,636.8	8.4	0.51%

FOREX	26-Sep	25-Sep	% chg
USD/MYR:	4.1940	4.1915	0.06%
EUR/USD:	1.0930	1.0994	-0.58%
GBP/USD:	1.2342	1.2414	-0.58%
USD/YEN:	107.57	107.32	0.23%
USD/SGD:	1.3811	1.3779	0.23%
USD/HKD:	7.8385	7.8367	0.02%

### KEY STATS

KLCI Spot			
Vol (m shares):	1,812.6	2,194.7	-17.41%
Value (RMm):	1,610.5	1,622.3	-0.72%
KLCI Future			
September-19	1,584.5	1,582.5	0.13%
October-19	1,584.5	1,582.5	0.13%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	888.5	889.3	-0.08%
SoyOil (USc/lb)	29.2	29.2	-0.10%
Gold (US\$/troy oz)	1,507.9	1,505.1	0.19%
Nymex crude oil (US\$/bbl)	56.4	56.5	-0.14%
Latex (RM/kg)	4.38	4.35	0.57%
Tin (US\$/mt)	16,270.0	16,515.0	-1.48%

### NEWS HIGHLIGHTS

- V.S. Industry posts record net profit in FY19
- Pentamaster buys die cast and medical machine manufacturer for RM21.0m
- TRC Synergy gets go-ahead for RM293.0m civil servant housing project
- GDB bags RM517.0m job to build Desa ParkCity's Park Regent development
- GETS Global is controlling shareholder in JV with India firm

### MACRO BITS

- China says in close communication with U.S. over October trade talks
- White House's Kudlow sees trade deal promise in China's commodities markets moves
- FTSE Russell Decision - retains Malaysia on watch list (See *Economic Viewpoint: FTSE Russell Decision*)
- Malaysia still on track to meet 3.4% fiscal deficit target this year — Finance Minister
- Malaysia eyes balance between SDGs and people's needs — Dr Mahathir
- Tourism sector remains competitive, provides jobs
- Indonesia on high alert as economic slowdown may further reduce tax revenue
- BOJ's Kuroda warns of overseas risks, signals readiness to adjust policy
- Weak U.S. business investment, tepid profits cast shadow on economy
- U.S. weekly jobless claims rise marginally
- U.S. pending home sales rise more than expected in August
- British PM Johnson defends use of Brexit 'surrender act'
- European economy faces growing risks from Brexit, trade tensions: EU's Dombrovskis

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

- MidS: GKENT
- Results Notes: AEONCR, HAI0, MYNEWS, SCIENTX, TOPGLOV
- Company Update: ARMADA, SCGM
- On Our Technical Watch: GTRONIC, REDTONE
- Rating Summary
- Economic Viewpoint: FTSE Russell Decision

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	CIMB	5.06	0.0	9.15	AXIATA	4.35	1.9	5.83	MAXIS	5.38	-3.4	1.81
2	GENM	3.05	-1.0	7.83	HLFG	16.38	1.6	0.72	GENM	3.05	-1.0	7.83
3	MAYBANK	8.70	0.9	7.63	DIGI	4.74	1.1	2.55	AIRPORT	8.63	-0.7	1.52
4	PCHEM	7.52	0.0	6.68	PETGAS	16.58	1.0	0.50	PETDAG	23.36	-0.5	0.36
5	PBBANK	20.10	0.3	6.64	MAYBANK	8.70	0.9	7.63	AMBANK	4.16	-0.5	0.38
6	DIALOG	3.40	0.3	6.32	SIME	2.29	0.9	3.00	GENTING	5.80	-0.3	4.71
7	AXIATA	4.35	1.9	5.83	KLK	23.16	0.8	0.42	MISC	7.70	-0.3	4.10
8	TOPGLOV	4.72	-0.2	4.89	SIMEPLT	4.88	0.6	0.75	TOPGLOV	4.72	-0.2	4.89
9	GENTING	5.80	-0.3	4.71	HLBANK	16.34	0.5	1.35	CIMB	5.06	0.0	9.15
10	RHBBANK	5.59	0.4	4.38	IOICORP	4.42	0.5	1.90	HARTA	5.27	0.0	3.83

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **V.S. Industry posts record net profit in FY19**

V.S. Industry Bhd has posted a 4.3% year-on-year improvement in net profit to RM157.5m for the full financial year ended July 31, 2019 (FY19), mainly on the improved performance of its Malaysian operations. Despite the negative contribution from its China operations, its FY19 earnings were the best ever recorded, and V.S. Industry believes it is poised to benefit from the current US-China trade war. Revenue for the full year was 3.0% lower at RM4.0b however, and the blip was largely caused by weaker contribution from its Indonesia and China segments, the group said in a bourse filing. (*The Edge*)

- **Pentamaster buys die cast and medical machine manufacturer for RM21.0m**

Pentamaster Corp Bhd (PCB) has signed an agreement to acquire a die-cast and medical machine manufacturer for RM21.0m. In a bourse filing, the group said its unit Pentamaster Equipment Manufacturing Sdn Bhd (PQ) — a wholly-owned subsidiary of Hong Kong-listed subsidiary Pentamaster International Ltd (PIL) — signed a share sale agreement (SSA) to facilitate the acquisition of all 250,000 shares in TP Concept Sdn Bhd with its existing shareholders Datuk Yong Weng Kian, Ong Chee Heong, Yeoh Seok Pheng, Goh Kheng Sneah and Ong Thean Lye. (*The Edge*)

- **TRC Synergy gets go-ahead for RM293.0m civil servant housing project**

After seven months, the development of 500 1Malaysia Civil Servant Housing Development (PPA1M) residential units, 316 public residential units and 20 commercial units in Precinct 18, Putrajaya, at a gross development cost (GDC) of RM292.7m will finally proceed, as Perbadanan Putrajaya has withdrawn the notice of termination. In a bourse filing, TRC Synergy Bhd said its wholly-owned subsidiary TRC Land Sdn Bhd has received a withdrawal of the notice of termination by Perbadanan Putrajaya. TRC Land was appointed the developer for the PPA1M project on Dec 4, 2015. The project has since been renamed Pembangunan Perumahan Penjawat Awam Malaysia (PPAM - DALUR). (*The Edge*)

- **GDB bags RM517.0m job to build Desa ParkCity's Park Regent development**

Construction firm GDB Holdings Bhd has clinched a RM517.0m contract to undertake construction works as the main contractor for the Park Regent residential development located at Desa ParkCity here. The contract is the group's single largest contract win to date, and the third time GDB was contracted to build high-rise residential buildings in Desa ParkCity, the group said in a statement. The contract was awarded by Cloudvest Sdn Bhd, a wholly-owned unit of Unicorn Frontier Sdn Bhd, which is a 50:50 joint venture entity between ParkCity Property Holdings Sdn Bhd and CapitaLand Malaysia Pte Ltd. (*The Edge*)

- **GETS Global is controlling shareholder in JV with India firm**

GETS Global Bhd and India-based KPIT Technologies Pte Ltd have signed a shareholders agreement to govern and regulate their relationship as shareholders in GETS E-Mobility Solutions Sdn Bhd (GEMS). In a filing with Bursa Malaysia, GETS Global said GEMS was established on June 3 this year as a special purpose vehicle (SPV) with the primary objective of carrying out electro mobility projects including electric vehicles for commercialisation. Under the shareholders agreement, GETS Global holds an 80.0% stake in GEMS while KPIT Technologies Pte Ltd owns the remaining 20.0%, according to GETS Global. (*The Edge*)



## Macro Bits

### Global

- [China says in close communication with U.S. over October trade talks](#) China and the United States are still discussing details about upcoming trade talks in October, making preparations to ensure “positive progress” is made during the negotiations, the Chinese commerce ministry said on Thursday. *(Reuters)*
- [White House's Kudlow sees trade deal promise in China's commodities markets moves](#) White House Economic Adviser Larry Kudlow on Thursday told Fox Business News that China's moves in commodities markets in recent days, namely its purchases of soybeans and pork, helped him believe the country may soon reach a trade deal with the United States. *(Reuters)*

### Malaysia

- **FTSE Russell Decision - retains Malaysia on watch list.** FTSE Russell has decided to retain Malaysia in its World Government Bond Index (WGBI). However, Malaysia would continue to be on the watch list for potential downgrade from its current Market Accessibility Level of 2. While it also decided to retain China for potential upgrade to Market Accessibility Level 2 for possible upgrade, FTSE Russell has assigned Israel a Market Accessibility Level of 2 and add its local currency government bonds will be added to the index from 1 April 2020. *(See Economic Viewpoint: FTSE Russell Decision)*
- [Malaysia still on track to meet 3.4% fiscal deficit target this year — Finance Minister](#) Malaysia is on track to meet its fiscal deficit target of 3.4% of gross domestic product (GDP) and will raise RM52.0b worth of net direct debt this year, says Finance Minister Lim Guan Eng. *(The Edge Markets)*
- [Malaysia eyes balance between SDGs and people's needs — Dr Mahathir](#) Malaysia is seeking to strike a balance between achieving sustainable development goals (SDGs) and addressing the needs of its people. *(The Edge Markets)*
- [Tourism sector remains competitive, provides jobs](#) The tourism sector remains competitive, providing jobs for the locals, especially with the coming Visit Malaysia Year 2020 (VM2020). *(The Edge Markets)*

### Asia Pacific

- [Indonesia on high alert as economic slowdown may further reduce tax revenue](#) The government is on high alert over a possible increase in tax shortfall this year as the economic slowdown is likely to continue until the end of the year. *(The Jakarta Post)*
- [BOJ's Kuroda warns of overseas risks, signals readiness to adjust policy](#) Japan's central bank governor signaled on Thursday readiness to ease monetary policy further, vowing to guide policy appropriately “without any preset conditions in mind”. *(Reuters)*

### Americas

- [Weak U.S. business investment, tepid profits cast shadow on economy](#) U.S. business investment contracted more sharply than previously estimated in the second quarter and corporate profit growth was tepid, casting a shadow on an economy that is being stalked by financial market fears of a recession. *(Reuters)*
- [U.S. weekly jobless claims rise marginally](#) The number of Americans filing applications for unemployment benefits rose moderately last week, pointing to sustained labor market strength. *(Reuters)*
- [U.S. pending home sales rise more than expected in August](#) Contracts to buy previously owned homes increased more than expected in August as the housing market continues to enjoy an uplift from lower mortgage rates. *(Reuters)*

### Europe

- [British PM Johnson defends use of Brexit 'surrender act'](#) Prime Minister Boris Johnson on Thursday defended his decision to use the term “surrender act” when speaking about a new law that forces him to seek a Brexit delay if he fails to secure a deal to leave the European Union. *(Reuters)*
- [European economy faces growing risks from Brexit, trade tensions: EU's Dombrovskis](#) Economic growth in the European Union is slowing down as the bloc faces increasing risks from global trade tensions and the unclear outcome of Brexit, the EU's top economic commissioner Valdis Dombrovskis said on Thursday. *(Reuters)*

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
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
KUMPULAN PERANGSANG SELANGOR	0.680	21.91	18.77	1.93	0.680
UOA REAL ESTATE INVESTMENT	1.240	24.04	18.38	4.36	1.200
BERJAYA FOOD BHD	1.400	24.46	20.13	4.75	1.400
AIRASIA X BHD	0.160	24.51	19.40	1.69	0.160
STAR MEDIA GROUP BHD	0.535	24.91	24.59	20.38	0.535
PUBLIC BANK BERHAD	20.100	25.43	29.88	48.37	19.960
EASTERN & ORIENTAL BHD	0.670	26.02	26.24	42.84	0.640
LAFARGE MALAYSIA BHD	2.910	27.65	22.18	13.07	2.860
MSM MALAYSIA HOLDINGS BHD	1.040	27.81	22.89	8.98	1.020
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
MPHB CAPITAL BHD	1.050	29.06	23.75	26.28	1.040
PPB GROUP BERHAD	18.240	29.28	26.63	41.20	17.860
CARING PHARMACY GROUP BHD	2.000	29.37	19.14	2.85	2.000
HEKTAR REAL ESTATE INVESTMEN	0.985	29.59	19.50	0.43	0.985

\*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	1.190	89.66	89.23	78.98	1.300
HAI-O ENTERPRISE BHD	2.730	87.31	93.13	99.33	2.770
GLOBETRONICS TECHNOLOGY BHD	2.150	85.21	91.57	97.40	2.160
MAGNI-TECH INDUSTRIES BHD	6.480	83.95	87.00	89.50	6.640
INARI AMERTRON BHD	1.840	77.53	85.46	97.25	1.860
PETRA ENERGY BHD	1.110	76.30	78.96	79.17	1.140
DUFU TECHNOLOGY CORP BHD	2.710	75.47	76.37	68.75	2.810
VITROX CORP BHD	7.480	75.08	83.92	99.64	7.480
QL RESOURCES BHD	7.180	74.73	83.21	97.53	7.200
THONG GUAN INDUSTRIES BHD	2.680	73.87	81.40	96.20	2.700
BUMI ARMADA BERHAD	0.350	73.27	74.52	76.90	0.355
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
GREEN PACKET BHD	0.725	72.06	72.74	77.17	0.745
KARAMBUNAI CORP BHD	0.105	70.75	73.91	70.52	0.110
PENTAMASTER CORP BHD	4.270	70.47	69.87	48.65	4.400

\*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
EKOVEST BHD-CV	0.075	16.83	9.99	1.89	0.075	9/12/2019
EKOVEST BHD-C1	0.090	17.35	11.12	0.22	0.085	31/3/2020
DRB-HICOM BHD-C90	0.055	22.22	20.94	4.60	0.055	31/3/2020
WCT HOLDINGS -WE	0.055	23.03	13.87	0.29	0.050	27/8/2020
EKOVEST BHD-CU	0.035	24.93	15.25	0.24	0.030	20/12/2019
MALAYSIAN RES-C46	0.005	26.58	24.09	27.59	0.005	31/1/2020
HIBISCUS PETR-C5	0.045	27.27	23.94	10.13	0.045	31/3/2020
EKOVEST BHD-CX	0.075	27.40	17.99	1.25	0.070	30/4/2020
DRB-HICOM BHD-C86	0.070	27.86	22.72	5.30	0.065	31/3/2020
TELEKOM MALAY-C53	0.020	28.53	37.78	69.23	0.015	28/2/2020
GENTING MALAY-C50	0.030	28.74	24.49	18.62	0.030	31/10/2019
GENTING MALAY-C60	0.060	28.89	27.77	6.73	0.060	31/3/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
INARI AMERTRO-C48	0.115	83.25	88.07	99.84	0.120	31/3/2020
GREEN PACKET BHD-WB	0.275	81.33	81.47	78.40	0.280	24/11/2023
INARI AMERTRON BHD -WB	1.300	80.00	88.01	94.92	1.320	17/2/2020
BUMI ARMADA B-C51	0.280	79.44	80.74	81.27	0.295	30/6/2020
INARI AMERTRO-C44	0.195	75.90	86.25	99.55	0.195	31/1/2020
GLOBETRONICS-C1	0.200	75.83	85.86	94.95	0.200	14/2/2020
MMAG HOLDINGS BHD -WB	0.140	75.61	78.45	90.33	0.140	27/11/2022
BUMI ARMADA B-C52	0.145	73.93	78.37	94.76	0.150	11/2/2020
INARI AMERTRO-C45	0.140	72.28	78.51	97.68	0.140	30/6/2020

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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