

By **Adrian Ng** | [adrian.ng@kenanga.com.my](mailto:adrian.ng@kenanga.com.my)

## Research Highlights

### NEWS HIGHLIGHTS

- Singapore PE firm Kendall Court buys 7.2% stake in Green Packet
- Yee Lee's units to acquire land for RM25.9m
- Hiap Teck returns to the black, thanks to profit registered by JV
- Salcon unit wins RM51.0m construction sub-contract for Sri Lanka water supply project
- SCIB's largest shareholder Abdul Karim named chairman

### MACRO BITS

- U.S. Treasury says no plans to block Chinese listings 'at this time': Bloomberg
- British PM Johnson vows to stay put to hit Oct 31 Brexit deadline
- Malaysia needs to catch up with regional peers - focus on high value-added FDI (See *Economic Viewpoint: Foreign Direct Investment*)
- MoF defends rise of direct debt under PH government
- Malaysia, Singapore extend RTS Link decision deadline to Oct 31
- China urges 'calm and rational' resolution to U.S.-Sino trade war
- China says will open more sectors of economy to foreign investors
- India government may seek USD4.3b interim dividend from central bank: media reports
- Fed's Harker opposed last rate cut, says officials should 'hold firm' on rates
- Former Fed Chair Yellen says central bank is being too 'optimistic' about US economy
- Britain will be low-tax after Brexit, says trade minister Truss
- Italy's economy minister hints at 2.2% deficit target in 2020 budget

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

- Results Note: GAMUDA, SAPNRG
- On Our Radar: GCB
- Weekly Technical Review
- Regional News Update
- Economic Viewpoint: FDI

BURSA	27-Sep	Day chg	% chg
KLCI	1,584.1	-8.86	-0.56%
FTSE EMAS	11,205.9	-65.3	-0.58%
FTSE Smallcap	13,016.4	-38.29	-0.29%
FTSE MESDAQ	4,552.8	-32.8	-0.71%
KLSE Mkt Cap (RM'b)	1,599.4	-7.9	-0.49%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	120.80	46.05
Local Retail	16.47	25.73
Foreign	-137.26	28.22

INDICES	27-Sep	Day chg	% chg
Dow Jones	26,820.3	-70.9	-0.26%
S&P 500	2,961.8	-15.8	-0.53%
NASDAQ	7,939.6	-91.0	-1.13%
FTSE-100	7,426.2	75.1	1.02%
Nikkei 225	21,878.9	-169.3	-0.77%
SHCOMP	2,932.2	3.1	0.11%
HSI	25,954.8	-87.1	-0.33%
STI	3,125.6	-0.2	-0.01%
KOSPI	2,049.9	-24.6	-1.19%
TWSE	10,829.7	-42.3	-0.39%
JCI	6,196.9	-33.4	-0.54%
SET	1,643.8	7.0	0.43%

FOREX	27-Sep	26-Sep	% chg
USD/MYR:	4.1858	4.1940	-0.20%
EUR/USD:	1.0940	1.0930	0.09%
GBP/USD:	1.2292	1.2342	-0.41%
USD/YEN:	107.92	107.57	0.33%
USD/SGD:	1.3817	1.3811	0.04%
USD/HKD:	7.8401	7.8385	0.02%

### KEY STATS

KLCI Spot			
Vol (m shares):	1,881.2	1,812.6	3.79%
Value (RMm):	1,329.3	1,610.5	-17.46%
KLCI Future			
September-19	1,581.5	1,584.5	-0.19%
October-19	1,581.5	1,584.5	-0.19%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	883.0	888.5	-0.62%
SoyOil (USc/lb)	28.8	29.2	-1.13%
Gold (US\$/troy oz)	1,499.1	1,507.9	-0.58%
Nymex crude oil (US\$/bbl)	55.9	56.4	-0.89%
Latex (RM/kg)	4.27	4.34	-1.73%
Tin (US\$/mt)	16,108.0	16,270.0	-1.00%

#	Top Volume MISC			Top Gainer MAXIS				Top Loser TOPGLOV			
		7.73	0.4	7.31	5.44	1.1	1.41	4.57	-3.2	4.01	
1	GENM	3.05	0.0	6.89	2.31	0.9	3.40	PMETAL	4.80	-1.8	0.73
2	RHBBANK	5.60	0.2	5.84	23.48	0.5	0.31	HLFG	16.10	-1.7	0.17
3	PCEM	7.53	0.1	5.82	8.67	0.5	0.46	SIMEPLT	4.80	-1.6	3.11
4	MAYBANK	8.60	-1.2	4.33	7.73	0.4	7.31	AMBANK	4.11	-1.2	1.41
5	IHH	5.70	-0.2	4.13	5.60	0.2	5.84	MAYBANK	8.60	-1.2	4.33
6	GENTING	5.74	-1.0	4.08	7.53	0.1	5.82	GENTING	5.74	-1.0	4.08
7	TOPGLOV	4.57	-3.2	4.01	4.74	0.0	1.66	CIMB	5.01	-1.0	3.28
8	AXIATA	4.33	-0.5	3.58	3.05	0.0	6.89	TENAGA	13.60	-0.9	2.06
9	SIME	2.31	0.9	3.40	9.86	0.0	0.49	KLK	22.98	-0.8	0.45
10	MISC	7.73	0.4	7.31	5.44	1.1	1.41	TOPGLOV	4.57	-3.2	4.01

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Singapore PE firm Kendall Court buys 7.2% stake in Green Packet**

Singapore-based private equity firm Kendall Court has emerged as a substantial shareholder of Green Packet Bhd with a 7.2% equity stake in the company. Kendall Court said in the statement that its wholly-owned Summit Synergy Ltd had acquired 65.0m shares in the telecommunications and technology company at 70 sen per share. Kendall Court is an investment firm that manages equity-linked and mezzanine investments across Southeast Asia and has deployed and managed over USD600.0m in the region and has invested into the natural resource, healthcare, consumer and telecom industries over the past decade. *(The Edge)*

- **Yee Lee's units to acquire land for RM25.9m**

Yee Lee Corporation Bhd's subsidiaries Canpac Sdn Bhd and Yee Lee Trading Co Sdn Bhd are acquiring 9.6 hectares of land in Ulu Selangor for RM25.9m from Panaheights Development Sdn Bhd. The parties inked a Sale and Purchase Agreement for the purpose according to a filing with Bursa Malaysia. "The acquisition is intended for the construction of an aerosol can factory and a regional distribution centre for future expansion as this land is strategically located near the Sungai Bunga Interchange and Toll Plaza on the North-South Expressway," the company added. Yee Lee said the company will fund the acquisition with internally generated funds and/or bank borrowings. *(The Edge)*

- **Hiap Teck returns to the black, thanks to profit registered by JV**

Hiap Teck Venture Bhd has reported a net profit of RM29.6m for its fourth quarter, compared to a net loss of RM19.9m a year ago, on the back of profit contribution from a joint venture (JV). The group posted earnings per share of (EPS) of 2.21 sen for the quarter ended July 31, 2019, against a loss per share of 1.5 sen previously. However, quarterly revenue declined 4.7% to RM309.9m from RM325.3m. The group declared a first and final dividend of 0.5 sen. *(The Edge)*

- **Salcon unit wins RM51.0m construction sub-contract for Sri Lanka water supply project**

Salcon Bhd's wholly-owned subsidiary Salcon Engineering Bhd has secured an RM50.9m sub-contract from China Geo Engineering Corporation for a water supply construction project in Sri Lanka. In a filing, the group said its subsidiary will carry out mechanical and electrical work for the Valachchenai Water Supply Project. The project is expected to last 36 months from the date of commencement and has no option for renewal, it said. The date of commencement will be determined by China Geo Engineering. *(The Edge)*

- **SCIB's largest shareholder Abdul Karim named chairman**

Sarawak Consolidated Industries Bhd's largest shareholder, Datuk Mohd Abdul Karim Abdullah, has been made the group's non-executive and non-independent chairman effective Oct 1. In a bourse filing, the group said Abdul Karim, 54, will replace current chairman Tan Sri Dr Hamid Bugo, 74, who is resigning due to "personal commitments". Executive director Rewi Hamid Bugo, 46, will also be resigning from the board effective Oct 1. Abdul Karim is the founder and managing director of Serba Dinamik Holdings Bhd, on top of being the deputy chairman of Kumpulan Powernet Bhd. *(The Edge)*



## Macro Bits

### Global

- [U.S. Treasury says no plans to block Chinese listings 'at this time': Bloomberg](#) The United States does not currently plan to stop Chinese companies from listing on U.S. exchanges, Bloomberg reported on Saturday, citing a U.S. Treasury official. *(Reuters)*
- [British PM Johnson vows to stay put to hit Oct 31 Brexit deadline](#) Boris Johnson vowed on Sunday he would not quit as Britain's prime minister even if he fails to secure a deal to leave the European Union, saying only his Conservative government can deliver Brexit on Oct. 31. *(Reuters)*

### Malaysia

- [Malaysia needs to catch up with regional peers - focus on high value-added FDI](#) The ASEAN economies have vast potential to attract foreign direct investment (FDI), as evidenced by the continued expansion in FDI into the ASEAN region. In the past decade, the inflow was largely absorbed by three countries, namely Singapore, Indonesia and Vietnam. Some countries have garnered greater share of the inflow over the years (Vietnam, Philippines) while others have gradually fallen behind (Malaysia, Thailand), suggesting disparity in investment competitiveness amongst the ASEAN economies. *(See Economic Viewpoint: Foreign Direct Investment)*
- [MoF defends rise of direct debt under PH government](#) Malaysia's Finance Ministry says the country's direct debt grew to 51.2% of its gross domestic product (GDP) in 2018, from 50.1% in 2017, because the Pakatan Harapan government refuses to resort to off-balance sheet financing to cover up dubious debts, which it said the previous administration had practiced. *(The Edge Markets)*
- [Malaysia, Singapore extend RTS Link decision deadline to Oct 31](#) Decision on the Johor-Bahru-Singapore Rapid Transit System Link (RTS Link) has been deferred by another month to Oct 31, Malaysia's Ministry of Transport says today. Originally meant to be completed by end-2024, the RTS Link that connects Bukit Chagar in Johor Bahru to Woodlands in Singapore, is expected to ferry up to 10,000 passengers per hour, one way. *(The Edge Markets)*

### Asia Pacific

- [China urges 'calm and rational' resolution to U.S.-Sino trade war](#) China hopes Beijing and Washington will resolve their trade dispute "with a calm and rational attitude", Vice Commerce Minister Wang Shouwen said on Sunday, ahead of talks in two weeks between the two sides. *(Reuters)*
- [China says will open more sectors of economy to foreign investors](#) China will open up more sectors of the economy to foreign investors, and its policy of protecting foreign companies' rights in the country will not change, Vice Commerce Minister Wang Shouwen said on Sunday. *(Reuters)*
- [India government may seek USD4.3b interim dividend from central bank: media reports](#) The Indian government may request an interim dividend of around USD4.3b from the central bank in order to meet its fiscal deficit target, Mint newspaper reported on Sunday citing news agency Press Trust of India (PTI). *(Reuters)*

### Americas

- [Fed's Harker opposed last rate cut, says officials should 'hold firm' on rates](#) Philadelphia Federal Reserve Bank President Patrick Harker said in New York on Friday he opposed the central bank's September rate cut and thinks the Fed should "hold firm" on interest rates. *(Reuters)*
- [Former Fed Chair Yellen says central bank is being too 'optimistic' about US economy](#) The Federal Reserve's estimates for long-term economic growth may be a bit too positive, Yellen said. *(CNBC)*

### Europe

- [Britain will be low-tax after Brexit, says trade minister Truss](#) Britain will be a low-tax, flexible economy after it leaves the European Union, trade minister Liz Truss said on Sunday. *(Reuters)*
- [Italy's economy minister hints at 2.2% deficit target in 2020 budget](#) Italy's economy minister hinted on Sunday that the budget deficit would be set at around 2.2% of national output next year, stressing the need for flexibility as Rome tries to rekindle stalled growth without reigniting friction with the EU. *(Reuters)*

30 September 2019

## 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	0.750
KUMPULAN PERANGSANG SELANGOR	0.680	21.91	18.77	1.93	0.675
PUBLIC BANK BERHAD	20.040	23.55	25.65	28.38	19.960
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
PPB GROUP BERHAD	18.140	24.89	20.57	14.51	17.860
EASTERN & ORIENTAL BHD	0.665	25.18	25.08	37.99	0.640
LAFARGE MALAYSIA BHD	2.850	25.73	20.02	10.08	2.750
GADANG HOLDINGS BHD	0.660	27.04	20.01	1.35	0.655
MSM MALAYSIA HOLDINGS BHD	1.030	27.09	21.89	7.77	1.010
AEON CREDIT SERVICE M BHD	14.360	27.27	24.13	10.36	14.000
LBS BINA GROUP BHD	0.495	27.41	19.82	4.12	0.485
CARING PHARMACY GROUP BHD	1.980	27.68	17.44	1.79	1.980
EKOVEST BHD	0.760	27.93	18.45	4.70	0.755
WCT HOLDINGS BHD	0.880	28.16	24.89	20.89	0.870
PANASONIC MANUFACTURING MALA	37.800	28.35	25.54	50.41	37.500
ISKANDAR WATERFRONT CITY BHD	0.830	28.57	19.96	5.02	0.830
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
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	1.200	89.90	89.56	80.98	1.300
MAGNI-TECH INDUSTRIES BHD	6.420	79.20	79.49	59.66	6.640
THONG GUAN INDUSTRIES BHD	2.730	76.95	84.38	97.35	2.770
GREEN PACKET BHD	0.755	76.46	79.13	89.29	0.760
PENTAMASTER CORP BHD	4.490	76.06	77.59	77.69	4.500
GLOBETRONICS TECHNOLOGY BHD	2.080	74.28	76.63	70.61	2.160
PETRA ENERGY BHD	1.100	74.06	75.16	61.78	1.140
DUFU TECHNOLOGY CORP BHD	2.690	73.03	72.34	50.13	2.810
VITROX CORP BHD	7.460	73.02	80.20	83.85	7.500
SCIENTEX BHD	9.000	72.69	77.29	89.08	9.090
INARI AMERTRON BHD	1.820	71.72	75.26	68.33	1.870
NTPM HOLDINGS BHD	0.455	70.81	74.62	89.22	0.460
KARAMBUNAI CORP BHD	0.105	70.75	73.91	70.52	0.110
ASTRO MALAYSIA HOLDINGS BHD	1.510	70.08	79.54	96.64	1.610

\*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
SERBA DINAMIK-CW	0.125	16.35	12.01	1.51	0.125	31/3/2020
EKOVEST BHD-CU	0.030	20.78	10.84	0.08	0.030	20/12/2019
CIMB GROUP HO-C50	0.035	21.39	15.73	1.34	0.035	31/10/2019
WCT HOLDINGS -WE	0.055	23.03	13.87	0.29	0.050	27/8/2020
EKOVEST BHD-CX	0.070	24.62	15.06	0.76	0.070	30/4/2020
HIBISCUS PETR-C5	0.040	24.67	20.26	5.13	0.040	31/3/2020
MALAYSIAN RES-C46	0.005	26.58	24.09	27.59	0.005	31/1/2020
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
MALAYSIAN RES-C52	0.065	29.15	31.60	25.35	0.045	30/3/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
PENTAMASTER C-CF	0.270	84.46	85.26	90.03	0.270	16/3/2020
GREEN PACKET BHD-WB	0.275	81.33	81.47	78.40	0.280	24/11/2023
PENTAMASTER C-WA	0.330	78.93	83.33	88.43	0.335	28/2/2020
SCGM BHD-WA	0.145	76.06	82.41	94.94	0.170	31/7/2020
INARI AMERTRO-C48	0.110	74.24	73.78	64.94	0.120	31/3/2020
MMAG HOLDINGS BHD -WB	0.135	71.51	72.75	73.87	0.140	27/11/2022

Source: Bloomberg

30 September 2019

**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.***

---

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

---

Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia  
Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)

The Kenanga logo consists of the word "kenanga" in a lowercase, sans-serif font, followed by a stylized graphic element resembling a lowercase "8" or a pair of interlocking circles.