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## Research Highlights

### NEWS HIGHLIGHTS

- **Sunsuria applies to extend completion of private placement to April 2020**
- **A-Rank 4Q net profit down 24% on higher income tax provision**
- **Handal Energy secures job to provide crane services offshore Sarawak, Sabah**
- **Sinotop scraps deal with Justin Soo for construction firm buy**
- **Solarvest to raise RM34.6m from ACE Market listing**

### MACRO BITS

- **Global third-quarter M&A sinks to three-year low amid U.S.-China trade war fears**
  - **M3 edges further down, while loan growth sustains in August (See *Economic Viewpoint: Malaysia Money & Credit*)**
  - **Focus on economic impact of ECRL and not seek review of project, says Ong Kian Ming**
  - **Malaysia's producer prices falls 1.9% in August 2019**
  - **China September factory activity surprises, expands fastest in 19 months: Caixin PMI**
  - **Japan's Aug factory output drops more than expected on slowing overseas demand**
  - **Japan to monitor sales tax hike impact, stands ready to act - econmin**
  - **U.S. upper Midwest factory sector contracts in September**
  - **N.Y. Fed awards USD63.5b in overnight repos**
  - **Households helped to limit hit to UK economy as it shrank in second quarter - ONS**
  - **Euro zone unemployment drops, an encouraging sign for growth**
  - **German economy set for weaker growth, but still showing bright spots**
- IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)**
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BURSA	30-Sep	Day chg	% chg
KLCI	1,583.9	-0.23	-0.01%
FTSE EMAS	11,203.7	-2.2	-0.02%
FTSE Smallcap	12,978.1	-38.35	-0.29%
FTSE MESDAQ	4,495.1	-57.7	-1.27%
KLSE Mkt Cap (RM'b)	1,599.0	-0.5	-0.03%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	39.27	42.56
Local Retail	33.01	22.22
Foreign	-72.28	35.22

INDICES	30-Sep	Day chg	% chg
Dow Jones	26,916.8	96.6	0.36%
S&P 500	2,976.7	14.9	0.50%
NASDAQ	7,999.3	59.7	0.75%
FTSE-100	7,408.2	-18.0	-0.24%
Nikkei 225	21,755.8	-123.1	-0.56%
SHCOMP	2,905.2	-27.0	-0.92%
HSI	26,092.3	137.5	0.53%
STI	3,120.0	-5.6	-0.18%
KOSPI	2,063.1	13.1	0.64%
TWSE	N.A.	N.A.	N.A.
JCI	6,169.1	-27.8	-0.45%
SET	1,637.2	-6.5	-0.40%

FOREX	30-Sep	27-Sep	% chg
USD/MYR:	4.1877	4.1858	0.05%
EUR/USD:	1.0922	1.0940	-0.16%
GBP/USD:	1.2302	1.2292	0.08%
USD/YEN:	107.93	107.92	0.01%
USD/SGD:	1.3830	1.3817	0.09%
USD/HKD:	7.8397	7.8401	-0.01%

### KEY STATS

KLCI Spot			
Vol (m shares):	1,857.2	1,881.2	-1.28%
Value (RMm):	1,499.7	1,329.3	12.82%
KLCI Future			
September-19	1,584.0	1,581.5	0.16%
October-19	1,584.0	1,581.5	0.16%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	906.0	883.0	2.60%
SoyOil (USc/lb)	29.1	28.8	0.83%
Gold (US\$/troy oz)	1,465.7	1,499.1	-2.23%
Nymex crude oil (US\$/bbl)	54.1	55.9	-3.29%
Latex (RM/kg)	4.31	4.25	1.53%
Tin (US\$/mt)	N.A.	16,108.0	N.A.

#	Top Volume			Top Gainer			Top Loser					
1	MAYBANK	8.51	-1.1	9.06	MAXIS	5.60	2.9	2.46	TOPGLOV	4.45	-2.6	5.56
2	GENM	3.03	-0.7	8.69	HLFG	16.26	1.0	0.45	SIME	2.25	-2.6	4.14
3	MISC	7.80	0.9	7.73	IOICORP	4.43	0.9	2.55	SIMEPLT	4.73	-1.5	3.20
4	DIALOG	3.40	0.3	5.78	MISC	7.80	0.9	7.73	MAYBANK	8.51	-1.1	9.06
5	TOPGLOV	4.45	-2.6	5.56	AMBANK	4.14	0.7	1.76	PMETAL	4.76	-0.8	3.14
6	PBBANK	20.08	0.2	4.82	RHBBANK	5.64	0.7	2.07	AXIATA	4.30	-0.7	1.65
7	CIMB	5.03	0.4	4.28	HLBANK	16.36	0.6	0.63	GENM	3.03	-0.7	8.69
8	GENTING	5.74	0.0	4.23	PETDAG	23.60	0.5	0.30	PETGAS	16.38	-0.6	0.48
9	SIME	2.25	-2.6	4.14	KLK	23.08	0.4	0.32	IHH	5.68	-0.4	2.91
10	HARTA	5.25	0.0	3.91	CIMB	5.03	0.4	4.28	AIRPORT	8.65	-0.2	1.86

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Sunsuria applies to extend completion of private placement to April 2020**

Sunsuria Bhd is seeking an extension from Bursa Malaysia to complete its private placement. In a bourse filing, the property developer said it had appealed to Bursa last Friday to delay the completion of the 102.2m share placement to April 15, 2020. "An announcement will be made upon receipt of Bursa Securities' decision on the application when obtained in due course," the group said. On April 10, 2019, Sunsuria announced the placement exercise, which constitutes 10% of the group's shareholdings and would have netted up to RM61.3m for the group. *(The Edge)*

- **A-Rank 4Q net profit down 24% on higher income tax provision**

Aluminium billets producer A-Rank Bhd's fourth quarter net profit fell 24.0% to RM3.3m, from RM4.4m a year ago, mainly on higher provision for income tax due to the effect of certain expenses not deductible for tax purposes. Earnings per share for the quarter ended July 31, 2019 dropped to 1.97 sen from 2.61 sen previously, the group said in a filing with Bursa Malaysia. Revenue for the period grew marginally by 0.22% to RM120.8m, from RM120.6m a year earlier, on higher business volume, although average selling prices were lower as a result of the decrease in raw material costs. *(The Edge)*

- **Handal Energy secures job to provide crane services offshore Sarawak, Sabah**

Handal Energy Bhd has bagged a contract to provide offshore crane operations and maintenance services. In a filing, Handal said its unit Handal Cranes Sdn Bhd had secured the contract from Sarawak Shell Bhd (SSB) and Sabah Shell Petroleum Co Ltd (SSPC). Handal said the contract entailed the provision of operations, maintenance, repair and manpower services for 29 offshore cranes under SSB and SSPC located off the waters of Sarawak and Sabah. The company said the contract is for a period of two years from Oct 15, with an extension option of one year. *(The Edge)*

- **Sinotop scraps deal with Justin Soo for construction firm buy**

Sinotop Holdings Bhd has terminated its agreement with executive director and major shareholder Datuk Justin Soo Sze Ching for the fabric manufacturer's planned acquisition of builder Asianmax Corp Sdn Bhd under a cash and share deal worth RM96 million. Sinotop said the conditional share sale agreement (SSA) was mutually terminated due to the prevailing market condition. Sinotop said in a statement to Bursa Malaysia it and Soo had via a letter dated Sept 30, 2019 mutually agreed to review, re-evaluate and renegotiate the terms and conditions upon which the acquisition is proposed to be implemented via the conditional SSA signed on April 23 this year. *(The Edge)*

- **Solarvest to raise RM34.6m from ACE Market listing**

Solarvest Holdings Bhd, an associate company of locally-listed Chin Hin Group Bhd that is slated to debut on the Ace Market of Bursa Malaysia on Nov 26, is planning to raise RM34.6m from its initial public offering. The solar photovoltaic (PV) system specialist's IPO entails the issuance of 98.8m new shares — representing 25.3% of its enlarged share capital — at the issue price of 35 sen a share, according to the group's listing prospectus filed to Bursa Malaysia. The bulk or RM19.2m of the proceeds raised, will be used to fund its daily operations, including additional working capital requirements for future projects, while RM4.0m will be allocated for the acquisition of project machinery, equipment and the upgrading of IT software and hardware, to help support its plans to tender and complete more projects in Malaysia. *(The Edge)*



## Macro Bits

### Global

- [Global third-quarter M&A sinks to three-year low amid U.S.-China trade war fears](#) Global mergers and acquisitions (M&A) plunged 16% year-on-year to USD729b in the third quarter, according to Refinitiv data, the lowest quarterly volume since 2016, as growing economic uncertainty curbed the risk appetite of companies considering deals. *(Reuters)*

### Malaysia

- [M3 edges further down, while loan growth sustains in August](#) August broad money (M3) growth edged further down to 4.2% YoY (Jul: 4.9%), a 30-month low on moderating domestic demand activities. On a MoM basis, M3 declined by 0.2% (Jul: +0.1%). *(See Economic Viewpoint: Malaysia Money & Credit)*
- [Focus on economic impact of ECRL and not seek review of project, says Ong Kian Ming](#) Malaysia should focus on the economic impact of the East Coast Rail Link (ECRL) project rather than seek a review of the project, said Deputy International Trade and Industry Minister Dr Ong Kian Ming. *(The Edge Markets)*
- [Malaysia's producer prices falls 1.9% in August 2019](#) The Producer Price Index (PPI) for local production decreased 1.9% in August 2019, compared with the same month of the preceding year, said Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin. *(The Edge Markets)*

### Asia Pacific

- [China September factory activity surprises, expands fastest in 19 months: Caixin PMI](#) China's factory activity unexpectedly expanded at the fastest pace in 19 months in September as plants ramped up production and new orders rose, a private business survey showed on Monday. *(Reuters)*
- [Japan's Aug factory output drops more than expected on slowing overseas demand](#) Japan's industrial output shrank more than expected in August in the latest warning that the economy and its manufacturers are facing intensifying pressure from a bitter Sino-U.S. trade war. *(Reuters)*
- [Japan to monitor sales tax hike impact, stands ready to act -econmin](#) Japanese Economy Minister Yasutoshi Nishimura said on Monday he would watch the impact of the October sales tax hike on the economy and take additional measures to prop up the economy if needed. *(Reuters)*

### Americas

- [U.S. upper Midwest factory sector contracts in September](#) Manufacturing industries in the U.S. upper Midwest contracted further in September, prompted by a pullback in production and employment amid ongoing U.S.-China trade tensions, a private survey released on Monday showed. *(Reuters)*
- [N.Y. Fed awards USD63.5b in overnight repos](#) The New York Federal Reserve on Monday awarded USD63.5b to primary dealers at an operation of overnight repurchase agreements in an effort to maintain the federal funds rate within its target range of 1.75%-2.00%. *(Reuters)*

### Europe

- [Households helped to limit hit to UK economy as it shrank in second quarter - ONS](#) Households helped to limit the damage to Britain's economy as it shrank in the second quarter ahead of Brexit, according to new data that also showed their financial health was less fragile than previously thought. *(Reuters)*
- [Euro zone unemployment drops, an encouraging sign for growth](#) The unemployment rate in the euro zone dropped in August to its lowest in more than 11 years, official data showed on Monday, as services appeared to offset weakening industry, an encouraging sign for the region's growth. *(Reuters)*
- [German economy set for weaker growth, but still showing bright spots](#) Germany's leading economic institutes have lowered their growth forecast for the economy for this year, sources told Reuters on Monday, adding to fears that a recession among export-driven manufacturers is spreading. *(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	0.750	17.69	13.36	3.52	0.745
KUMPULAN PERANGSANG SELANGOR	0.670	20.09	16.02	0.98	0.670
UOA REAL ESTATE INVESTMENT	1.230	21.85	15.97	2.58	1.200
EASTERN & ORIENTAL BHD	0.660	24.32	23.90	32.48	0.640
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
GADANG HOLDINGS BHD	0.650	25.12	17.66	0.93	0.650
MSM MALAYSIA HOLDINGS BHD	1.010	25.67	19.95	5.53	1.000
LAFARGE MALAYSIA BHD	2.850	25.73	20.02	10.08	2.750
BERJAYA CORP BHD	0.245	26.20	17.95	1.77	0.245
STAR MEDIA GROUP BHD	0.530	26.39	26.57	23.83	0.530
TOP GLOVE CORP BHD	4.450	26.51	16.15	0.75	4.450
PUBLIC BANK BERHAD	20.080	27.41	32.79	49.32	19.960
LBS BINA GROUP BHD	0.495	27.41	19.82	4.12	0.485
YTL CORP BHD	0.920	27.71	21.99	5.56	0.915
PANASONIC MANUFACTURING MALA	37.800	28.35	25.54	50.41	37.500
SP SETIA BHD	1.360	28.54	27.39	12.68	1.360
KAREX BHD	0.425	29.35	25.48	13.26	0.425
HEKTAR REAL ESTATE INVESTMEN	0.985	29.59	19.50	0.43	0.980
AIRASIA X BHD	0.160	29.65	28.96	29.57	0.160
ECONPILE HOLDINGS BHD	0.690	29.66	21.45	4.98	0.690
FGV HOLDINGS BHD	0.890	29.68	27.22	16.05	0.885

\*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
MAGNI-TECH INDUSTRIES BHD	6.410	78.40	78.23	55.07	6.640
GREEN PACKET BHD	0.755	76.46	79.13	89.29	0.775
VITROX CORP BHD	7.520	75.21	82.78	90.57	7.520
DUFU TECHNOLOGY CORP BHD	2.720	74.37	74.60	69.01	2.810
QL RESOURCES BHD	7.210	73.57	79.45	84.94	7.230
PENTAMASTER CORP BHD	4.440	72.69	72.82	65.13	4.740
INARI AMERTRON BHD	1.820	71.72	75.26	68.33	1.870
THONG GUAN INDUSTRIES BHD	2.700	71.51	76.15	76.51	2.770
GLOBETRONICS TECHNOLOGY BHD	2.060	71.46	72.81	63.17	2.160
YEE LEE CORPORATION	2.190	71.39	86.80	99.87	2.190
UEM EDGENTA BHD	3.520	70.78	74.51	93.66	3.520
KARAMBUNAI CORP BHD	0.105	70.75	73.91	70.52	0.110

\*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-C1	0.085	15.57	9.37	0.14	0.080	31/3/2020
WCT HOLDINGS -WE	0.055	23.03	13.87	0.29	0.050	27/8/2020
MALAYSIA BUIL-C25	0.030	23.80	24.91	12.50	0.030	28/2/2020
EKOVEST BHD-CX	0.070	24.62	15.06	0.76	0.065	30/4/2020
GENTING MALAY-C50	0.020	25.16	19.09	7.74	0.020	31/10/2019
DRB-HICOM BHD-C86	0.065	25.59	18.59	0.79	0.065	31/3/2020
MY EG SERVICE-C77	0.080	27.28	25.19	6.16	0.080	31/3/2020
GENTING BHD-C72	0.025	28.20	27.50	12.16	0.025	14/2/2020
EKOVEST BHD-CY	0.085	28.89	19.50	0.90	0.085	29/5/2020

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	0.280	82.58	83.54	88.12	0.280	24/11/2023
PENTAMASTER C-CE	0.320	74.51	76.86	71.07	0.385	28/2/2020
SCGM BHD-WA	0.140	73.99	79.47	87.88	0.170	31/7/2020
PROLEXUS BHD-WA	0.145	73.66	78.37	92.52	0.145	14/6/2021
MMAG HOLDINGS BHD -WB	0.135	71.51	72.75	73.87	0.140	27/11/2022

Source: Bloomberg

01 October 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.***

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