

By **Adrian Ng** | adrian.ng@kenanga.com.my

Research Highlights

BURSA	1-Oct	Day chg	% chg
KLCI	1,589.4	5.53	0.35%
FTSE EMAS	11,236.0	32.3	0.29%
FTSE Smallcap	13,077.1	99.05	0.76%
FTSE MESDAQ	4,531.8	36.7	0.82%
KLSE Mkt Cap (RM'b)	1,604.0	5.0	0.31%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	66.59	59.08
Local Retail	7.65	23.95
Foreign	-74.24	16.97

INDICES	1-Oct	Day chg	% chg
Dow Jones	26,573.0	-343.8	-1.28%
S&P 500	2,940.3	-36.5	-1.23%
NASDAQ	7,908.7	-90.7	-1.13%
FTSE-100	7,360.3	-47.9	-0.65%
Nikkei 225	21,885.2	129.4	0.59%
SHCOMP	N.A.	N.A.	N.A.
HSI	N.A.	N.A.	N.A.
STI	3,146.0	26.0	0.83%
KOSPI	2,072.4	9.4	0.45%
TWSE	10,967.7	N.A.	N.A.
JCI	6,138.3	-30.9	-0.50%
SET	1,624.1	-13.1	-0.80%

FOREX	1-Oct	30-Sep	% chg
USD/MYR:	4.1930	4.1877	0.13%
EUR/USD:	1.0901	1.0922	-0.19%
GBP/USD:	1.2301	1.2302	-0.01%
USD/YEN:	108.29	107.93	0.33%
USD/SGD:	1.3862	1.3830	0.23%
USD/HKD:	7.8407	7.8397	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	1,795.8	1,857.2	-3.30%
Value (RMm):	1,251.8	1,499.7	-16.53%
KLCI Future			
September-19	1,588.0	1,584.0	0.25%
October-19	1,587.5	1,584.0	0.22%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	919.5	906.0	1.49%
SoyOil (USc/lb)	29.1	29.1	0.10%
Gold (US\$/troy oz)	1,489.0	1,465.7	1.59%
Nymex crude oil (US\$/bbl)	53.6	54.1	-0.83%
Latex (RM/kg)	4.27	4.29	-0.47%
Tin (US\$/mt)	16,228.0	15,910.0	2.00%

NEWS HIGHLIGHTS

- **KNM lands contracts worth RM55.6m in Indonesia**
- **Revenue partners TNG Digital to enable use of Touch 'n Go eWallet on Taobao, Tmall**
- **MGB bags RM53.0m flyover job from sister company**
- **Bioalpha launches seven products in China with partner Jinrui**
- **Sumatec's PN17 regularisation plan submission deadline extended to Oct 29**

MACRO BITS

- **Down is the only way: Emerging central banks deliver more rate cuts**
- **WTO slashes forecast for trade growth as conflicts mount**
- **North Korea, U.S. to hold working-level talks at weekend: KCNA**
- **Manufacturing activity improves slightly in September (See *Economic Viewpoint: Malaysia Manufacturing PMI*)**
- **Between development and managing debts, you can't take sides — Guan Eng**
- **Jobs creation with reasonable pay an emphasis in Budget 2020 — Guan Eng**
- **Edges down in September on muted growth in non-core index (See *Economic Viewpoint: Thailand Consumer Price Index*)**
- **Inflation slows in September on lower food prices (See *Economic Viewpoint: Indonesia Consumer Price Index*)**
- **Japan proceeds with twice-delayed sales tax hike as growth sputters**
- **Trump blasts Fed after manufacturing data stokes fears of sharp slowdown**
- **U.S. construction spending rises less than expected in August**
- **UK PM Johnson to propose Brexit grand bargain but EU is skeptical**
- **EIB kicks off first major bond sale linked to new euro zone rate**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Market Strategy: 4QCY19 Investment Strategy**
- **Sector Update: Banking, Banking (BNM August Statistics), Rubber Gloves, Technology**
- **On Our Technical Watch: INARI, PIE**
- **Economic Viewpoint: Indonesia Consumer Price Index, Malaysia Manufacturing PMI, TH Consumer Price Index**

#	Top Volume			Top Gainer				Top Loser				
1	DIALOG	3.40	0.0	12.90	SIME	2.30	2.2	7.71	MAXIS	5.55	-0.9	0.54
2	SIME	2.30	2.2	7.71	SIMEPLT	4.83	2.1	1.47	HARTA	5.21	-0.8	3.75
3	MISC	7.89	1.2	6.20	RHBBANK	5.71	1.2	5.76	PBBANK	20.00	-0.4	1.12
4	RHBBANK	5.71	1.2	5.76	MISC	7.89	1.2	6.20	PCHEM	7.51	-0.4	2.59
5	MAYBANK	8.59	0.9	5.55	GENM	3.06	1.0	4.59	NESTLE	145.40	-0.2	0.08
6	GENM	3.06	1.0	4.59	MAYBANK	8.59	0.9	5.55	GENTING	5.73	-0.2	2.50
7	HARTA	5.21	-0.8	3.75	TOPGLOV	4.49	0.9	3.37	AMBANK	4.14	0.0	0.24
8	TOPGLOV	4.49	0.9	3.37	PMETAL	4.80	0.8	0.39	DIALOG	3.40	0.0	12.90
9	CIMB	5.05	0.4	3.23	PETGAS	16.50	0.7	0.08	IHH	5.68	0.0	2.57
10	PCHEM	7.51	-0.4	2.59	HAPSENG	9.93	0.7	0.09	IOICORP	4.43	0.0	0.26

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **KNM lands contracts worth RM55.6m in Indonesia**

KNM Group Bhd has landed two contracts worth RM55.6m in total in Indonesia. In a filing to Bursa Malaysia, KNM said its unit KNM Process Systems Sdn Bhd had inked the design, engineering and supply contracts on Sept 23 with SK Engineering & Construction Co Ltd for the RDMP RU-V Balikpapan Project located at Balikpapan, East Kalimantan operated by PT Pertamina. At the midday break today, KNM rose 1.3% or 0.5sen to 38.0sen for a market capitalisation of RM994.0m. *(The Edge)*

- **Revenue partners TNG Digital to enable use of Touch 'n Go eWallet on Taobao, Tmall**

Cashless payment solutions provider Revenue Group Bhd has teamed up with TNG Digital Sdn Bhd to enable the usage of Touch 'n Go eWallet on the Alibaba-owned Taobao and Tmall marketplaces. At a press conference, Revenue managing director and group chief executive officer (CEO) Eddie Ng Chee Siong said the strategic collaboration with TNG Digital is expected to enhance Revenue's bottomline going forward and drive its electronic transactions processing segment, as it is set to gain from the electronic transaction processing fees. *(The Edge)*

- **MGB bags RM53.0m flyover job from sister company**

MGB Bhd's wholly-owned MITC Engineering Sdn Bhd has bagged a RM53.0m contract to build a flyover based in Bandar Saujana Putra, Selangor. The contract was awarded by Strength Square (M) Sdn Bhd on behalf of Seribu Baiduri Sdn Bhd, which is a subsidiary of LBS Bina Group Bhd — the major shareholder of MGB — making Seribu Baiduri a sister company. "The contract will increase and enhance the existing order book of the company and its group of companies. With the contract in hand, the group's current outstanding order book is of approximately RM1.6b," MGB said. *(The Edge)*

- **Bioalpha launches seven products in China with partner Jinrui**

Bioalpha Holdings Bhd has strengthened its foothold in China with the launch of seven new functional food products there, produced on original design manufacturing basis for partner Jinrui Yandentang Co Ltd. The ready-to-drink beverages and powder sachets, which were launched on Sept 26, promote health functions and improve immunity and gut function, the health supplement firm said in a statement today. The ingredients consist of Malaysian herbs such as tongkat ali, kacic fatimah and misai kucing. "This is the maiden order, and we look forward to receiving more orders in the near future, given Jinrui's extensive network reach of more than 50,000 distributors in China. *(The Edge)*

- **Sumatec's PN17 regularisation plan submission deadline extended to Oct 29**

Practice Note 17 (PN17) company Sumatec Resources Bhd said today Bursa Malaysia granted the oil and gas firm a time extension of six months up to Oct 29, 2019 to submit a regularisation plan to the authorities. In a bourse filing, Sumatec said it had on Sept 4 received Bursa's letter on Sumatec's application for the time extension. "After due consideration of all facts and circumstances of the application, Bursa has decided to grant the company an extension of time of six months up to Oct 29, 2019 to submit a regularisation plan to the regulatory authorities," the group said. *(The Edge)*



Macro Bits

Global

- **[Down is the only way: Emerging central banks deliver more rate cuts](#)** Emerging market policymakers slashed interest rates further in September, taking their lead from major central banks. *(Reuters)*
- **[WTO slashes forecast for trade growth as conflicts mount](#)** The World Trade Organization cut its forecast for growth in global trade this year by more than half on Tuesday and said further rounds of tariffs and retaliation, a slowing economy and a disorderly Brexit could squeeze it even more. *(Reuters)*
- **[North Korea, U.S. to hold working-level talks at weekend: KCNA](#)** North Korea and the United States have agreed to hold working-level talks on Oct. 5, North Korea's state news agency KCNA said on Tuesday, a development that would break months of stalemate since a failed summit in February. *(Reuters)*

Malaysia

- **[Manufacturing activity improves slightly in September but remains under pressure](#)** Manufacturing activity continued to struggle in September but at a softest pace since May, signalling improvement driven by an increase in new orders and output indices amid challenging business environment. *(See Economic Viewpoint: Malaysia Manufacturing PMI)*
- **[Between development and managing debts, you can't take sides — Guan Eng](#)** Information can be a double-edged sword, depending on how it is being perceived and in the case of the country's debt level, all is well as the government is balancing it within its means, Finance Minister Lim Guan Eng said. *(The Edge Markets)*
- **[Jobs creation with reasonable pay an emphasis in Budget 2020 — Guan Eng](#)** Budget 2020 will give emphasis on creating more job opportunities with reasonable pay to give Malaysians the desire and motivation to work, says Finance Minister Lim Guan Eng. *(The Edge Markets)*

Asia Pacific

- **[Edges down in September on muted growth in non-core index](#)** Headline inflation withered to an eight-month low, coming in at 0.3% YoY in September (Aug: 0.5%), below the Bank of Thailand's (BoT) target range of 1.0-4.0% and consensus estimate of 0.4%. *(See Economic Viewpoint: Thailand Consumer Price Index)*
- **[Inflation slows in September on lower food prices](#)** Indonesia's headline inflation grew at a slower rate of 3.39% YoY in September (Aug: 3.49%), below consensus' estimate of 3.52% but well within Bank Indonesia's (BI) inflation target range of 2.5-4.5%. *(See Economic Viewpoint: Indonesia Consumer Price Index)*
- **[Japan proceeds with twice-delayed sales tax hike as growth sputters](#)** Japan rolled out a twice-delayed increase in the sales tax to 10% from 8% on Tuesday, a move that is seen as critical for fixing the country's tattered finances but that could tip the economy into recession by dampening consumer sentiment. *(Reuters)*

Americas

- **[Trump blasts Fed after manufacturing data stokes fears of sharp slowdown](#)** U.S. President Trump once again lashed out at the Federal Reserve, this time in the wake of weak data on the manufacturing sector, saying the central bank has kept interest rates "too high" and that a strong dollar is hurting U.S. factories. *(Reuters)*
- **[U.S. construction spending rises less than expected in August](#)** U.S. construction spending barely rose in August as the largest increase in private residential investment in nine months was offset by a second straight monthly decline in outlays on nonresidential projects. *(Reuters)*

Europe

- **[UK PM Johnson to propose Brexit grand bargain but EU is skeptical](#)** British Prime Minister Boris Johnson pitched new proposals for an amended Brexit agreement that would remove the contested insurance policy for the Irish border, but EU officials sounded skeptical about the chances of a breakthrough. *(Reuters)*
- **[EIB kicks off first major bond sale linked to new euro zone rate](#)** The European Investment Bank kicked off the first major bond sale linked to the euro zone's new market interest rate ESTR, a key step in efforts to move away from the scandal-hit interest rate benchmarks. *(Reuters)*

02 October 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
KUMPULAN PERANGSANG SELANGOR	0.665	19.24	14.80	0.71	0.665
LAFARGE MALAYSIA BHD	2.760	22.96	16.90	5.69	2.750
LBS BINA GROUP BHD	0.490	24.40	16.06	1.66	0.485
PUBLIC BANK BERHAD	20.000	24.72	26.96	26.27	19.960
PPB GROUP BERHAD	18.140	24.89	20.57	14.51	17.860
HEKTAR REAL ESTATE INVESTMEN	0.980	25.43	14.24	0.11	0.980
MSM MALAYSIA HOLDINGS BHD	1.010	25.67	19.95	5.53	0.995
BERJAYA CORP BHD	0.245	26.20	17.95	1.77	0.245
MAH SING GROUP BHD	0.765	27.64	29.23	60.23	0.745
YTL CORP BHD	0.920	27.71	21.99	5.56	0.910
FIMA CORP BHD	1.760	28.38	26.44	15.79	1.760
UOA REAL ESTATE INVESTMENT	1.240	28.83	26.79	39.62	1.200
EASTERN & ORIENTAL BHD	0.670	29.47	31.19	52.96	0.640
AIRASIA X BHD	0.160	29.65	28.96	29.57	0.160
EKOVEST BHD	0.755	29.96	23.98	20.05	0.740

*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
MAGNI-TECH INDUSTRIES BHD	6.580	81.76	83.31	84.83	6.650
VITROX CORP BHD	7.750	81.44	88.98	97.22	7.770
INARI AMERTRON BHD	1.900	79.01	84.58	91.39	1.910
DUFU TECHNOLOGY CORP BHD	2.760	76.08	77.38	82.37	2.810
PIE INDUSTRIAL BHD	1.330	75.75	83.92	96.71	1.340
YEE LEE CORPORATION	2.200	74.30	88.94	99.92	2.200
GREEN PACKET BHD	0.750	74.20	75.40	74.47	0.775
THONG GUAN INDUSTRIES BHD	2.720	72.89	77.77	80.65	2.770
GLOBETRONICS TECHNOLOGY BHD	2.080	72.59	74.25	68.20	2.160
PENTAMASTER CORP BHD	4.430	72.01	71.83	62.12	4.740
QL RESOURCES BHD	7.200	71.98	76.76	76.88	7.230
PETRA ENERGY BHD	1.110	71.23	70.77	65.43	1.140
KARAMBUNAI CORP BHD	0.105	70.75	73.91	70.52	0.110
CAHYA MATA SARAWAK BHD	2.740	70.11	82.37	99.04	2.800
PINTARAS JAYA BHD	3.390	70.10	68.41	77.50	3.430

*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
GENTING BHD-C56	0.010	20.68	10.04	0.12	0.010	26/11/2019
CIMB GROUP HO-C53	0.030	22.26	18.91	22.58	0.030	29/11/2019
WCT HOLDINGS -WE	0.055	23.03	13.87	0.29	0.050	27/8/2020
GENTING MALAY-C50	0.020	25.16	19.09	7.74	0.020	31/10/2019
GENTING BHD-C72	0.025	28.20	27.50	12.16	0.025	14/2/2020
UEM SUNRISE B-C71	0.035	29.21	30.37	40.55	0.030	28/2/2020

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 AMERTRON BHD -WB	1.370	83.27	89.36	94.78	1.370	17/2/2020
PROLEXUS BHD-WA	0.185	80.23	85.39	97.07	0.210	14/6/2021
INARI AMERTRO-C48	0.125	76.88	77.81	81.27	0.125	31/3/2020
PENTAMASTER C-CE	0.320	74.51	76.86	71.07	0.385	28/2/2020
MMAG HOLDINGS BHD -WB	0.140	73.19	75.05	81.47	0.140	27/11/2022
GREEN PACKET BHD-WB	0.270	72.14	66.76	37.50	0.280	24/11/2023
INARI AMERTRO-C45	0.150	71.15	74.46	81.40	0.150	30/6/2020

Source: Bloomberg

02 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.***

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 E-mail: research@kenanga.com.my