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Research Highlights

| BURSA | 2-Oct | Day chg | % chg |
|---------------------|----------|---------|--------|
| KLCI | 1,574.9 | -14.54 | -0.91% |
| FTSE EMAS | 11,149.9 | -86.1 | -0.77% |
| FTSE Smallcap | 13,015.1 | -62.08 | -0.47% |
| FTSE MESDAQ | 4,516.0 | -15.8 | -0.35% |
| KLSE Mkt Cap (RM'b) | 1,593.0 | -11.0 | -0.68% |

NEWS HIGHLIGHTS

- **TNB's maiden LNG trial cargo to result in cost savings. (Comment included in Kenanga Today)**
- **Lotte Chemical Titan shareholders approve divestment of 49% stake in Indonesia petrochemical facility**
- **DNeX gets RM57.0m contract extension for ICT maintenance project**
- **Sarawak Cable proposes private placement to raise up to RM7.3m**
- **Censof bags RM35.0m job from IRB**

BURSA DAILY TRADING PARTICIPATION

| Participation | Net (RM'm) | Value (%) |
|-------------------|------------|-----------|
| Local Institution | 171.06 | 50.03 |
| Local Retail | -3.06 | 23.49 |
| Foreign | -168.00 | 26.48 |

| INDICES | 2-Oct | Day chg | % chg |
|------------|----------|---------|--------|
| Dow Jones | 26,078.6 | -494.4 | -1.86% |
| S&P 500 | 2,887.6 | -52.6 | -1.79% |
| NASDAQ | 7,785.2 | -123.4 | -1.56% |
| FTSE-100 | 7,122.5 | -237.8 | -3.23% |
| Nikkei 225 | 21,778.6 | -106.6 | -0.49% |
| SHCOMP | N.A. | N.A. | N.A. |
| HSI | 26,042.7 | N.A. | N.A. |
| STI | 3,103.5 | -42.6 | -1.35% |
| KOSPI | 2,031.9 | -40.5 | -1.95% |
| TWSE | 10,947.9 | -19.8 | -0.18% |
| JCI | 6,055.4 | -82.8 | -1.35% |
| SET | 1,613.6 | -10.4 | -0.64% |

MACRO BITS

- **U.S. to hit EU with tariffs of 10% on aircraft, 25% on other goods: official**
- **Iran to cut nuclear deal commitments until it reaches 'desired result': supreme leader**
- **North Korea fires ballistic missile, possibly from submarine, days before talks**
- **A second chance to mend the economy and to restore confidence (See Economic Viewpoint: Malaysia 2020 Budget Preview)**
- **MREPC to roll out new incentive for rubber product industry**
- **Human Resources Ministry to meet US embassy over glove import ban issue**
- **Japan corporate inflation expectations stagnate, keep BOJ under pressure**
- **Australia PM says disappointed in banks for not passing on rate cut in full**
- **U.S. blocks import of goods from five nations in rare anti-slavery crackdown**
- **Slowing U.S. private hiring adds to gloom over economy**
- **UK PM Johnson makes final Brexit offer, draws guarded welcome from EU**
- **France ready to hit back if U.S. sanctions EU imports: minister**

| FOREX | 2-Oct | 1-Oct | % chg |
|----------|--------|--------|--------|
| USD/MYR: | 4.1945 | 4.1930 | 0.04% |
| EUR/USD: | 1.0921 | 1.0901 | 0.18% |
| GBP/USD: | 1.2250 | 1.2301 | -0.41% |
| USD/YEN: | 107.59 | 108.29 | -0.65% |
| USD/SGD: | 1.3859 | 1.3862 | -0.02% |
| USD/HKD: | 7.8415 | 7.8407 | 0.01% |

KEY STATS

| KLCI Spot | | | |
|----------------------------|----------|----------|--------|
| Vol (m shares): | 1,853.3 | 1,795.8 | 3.20% |
| Value (RMm): | 1,440.8 | 1,251.8 | 15.10% |
| KLCI Future | | | |
| September-19 | 1,573.0 | 1,588.0 | -0.94% |
| October-19 | 1,573.5 | 1,587.5 | -0.88% |
| CPO Price (RM/tonne) | | | |
| Soybean (US\$/bu) | 913.8 | 919.5 | -0.63% |
| SoyOil (USc/lb) | 29.4 | 29.1 | 1.13% |
| Gold (US\$/troy oz) | 1,507.9 | 1,489.0 | 1.27% |
| Nymex crude oil (US\$/bbl) | 52.6 | 53.6 | -1.83% |
| Latex (RM/kg) | 4.30 | 4.26 | 0.94% |
| Tin (US\$/mt) | 16,535.0 | 16,228.0 | 1.89% |

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Sector Update: Automotive, Consumer, Gaming, Oil & Gas, Property Developers, MREITs, Telecommunications, Utilities**
- **Company Update: MISC, MYNEWS**
- **On Our Technical Watch: GCB, CARIMIN**
- **Economic Viewpoint: Budget 2020 Preview**

| # | Top Volume | | | Top Gainer | | | Top Loser | | | | | |
|----|------------|------|------|------------|---------|--------|-----------|-------|---------|-------|------|------|
| 1 | DIALOG | 3.40 | 0.0 | 18.80 | GENTING | 5.74 | 0.2 | 2.23 | IOICORP | 4.29 | -3.2 | 4.16 |
| 2 | GENM | 3.03 | -1.0 | 6.09 | DIALOG | 3.40 | 0.0 | 18.80 | AMBANK | 4.06 | -1.9 | 0.76 |
| 3 | HARTA | 5.20 | -0.2 | 5.34 | TOPGLOV | 4.49 | 0.0 | 4.30 | DIGI | 4.70 | -1.7 | 1.94 |
| 4 | RHBBANK | 5.64 | -1.2 | 4.75 | NESTLE | 145.20 | -0.1 | 0.08 | SIMEPLT | 4.75 | -1.7 | 0.83 |
| 5 | PCHEM | 7.46 | -0.7 | 4.64 | HARTA | 5.20 | -0.2 | 5.34 | HLBANK | 16.14 | -1.6 | 0.49 |
| 6 | CIMB | 5.02 | -0.6 | 4.46 | PPB | 18.10 | -0.2 | 0.57 | PBBANK | 19.70 | -1.5 | 3.66 |
| 7 | TOPGLOV | 4.49 | 0.0 | 4.30 | PETGAS | 16.46 | -0.2 | 0.09 | MAXIS | 5.47 | -1.4 | 1.57 |
| 8 | IOICORP | 4.29 | -3.2 | 4.16 | PETDAG | 23.56 | -0.3 | 0.09 | RHBBANK | 5.64 | -1.2 | 4.75 |
| 9 | MISC | 7.84 | -0.6 | 4.03 | PMETAL | 4.78 | -0.4 | 0.78 | KLK | 22.92 | -1.1 | 1.40 |
| 10 | MAYBANK | 8.53 | -0.7 | 3.92 | CIMB | 5.02 | -0.6 | 4.46 | GENM | 3.03 | -1.0 | 6.09 |

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **TNB's maiden LNG trial cargo to result in cost savings.**

Tenaga Nasional Bhd will be making its maiden delivery of liquefied natural gas trial cargo this month. The utility group said the move has resulted in real cost savings in terms of delivered gas price. A total of 3.5 trillion British thermal units of gas will be delivered to its Tuanku Jaafar Power Station in Port Dickson and Connaught Bridge Power Station in Klang. The gas is expected to be consumed fully by these two power plants within 14 days with a daily average quantity of 270,000 GJ. *(Financial Daily)*

Comment: The main objective of TENAGA bringing in its maiden LNG trial cargo is to test the TPA arrangement via the RGT in Melaka and the Peninsular Gas Utilisation gas pipeline network owned by PETGAS. We believe TENAGA is unable to profit from the savings under the current ICPT regime as the open fuel sourcing will only take place in 1H21. We are neutral on this news and keep our MP and TP: RM13.40 unchanged which is based on 13.6x FY20 PER. (By: Teh Kian Yeong)

- **Lotte Chemical Titan shareholders approve divestment of 49% stake in Indonesia petrochemical facility**

Lotte Chemical Titan Holding Bhd (LCT) shareholders today voted in favour of the group's plan to divest a 49% stake in its Indonesian integrated petrochemical facility project to its parent Lotte Chemical Corp. The divestment will lead to the parent company emerging as joint venture partner to develop the LCI New Ethylene Project (LINE project) in Cilegon, Indonesia. Speaking to reporters after the group's extraordinary general meeting, which lasted more than two hours, LCT president and CEO Dr Lee Dong Woo said 99.978% of the minority shareholders voted in favour of the divestment. *(The Edge)*

- **DNeX gets RM57.0m contract extension for ICT maintenance project**

Dagang NeXchange Bhd (DNeX) has bagged a contract extension worth RM57.0m from the Accountant General's Department for an information and communication technology (ICT) maintenance project. The extension which is for one year, starts Aug 10, the group said in a statement today. Under the contract, DNeX's unit Innovation Associates Consulting Sdn Bhd (iAC) will be responsible for maintenance of hardware, software and network equipment of the integrated Government Financial and Management System (iGFMAS), an accrual accounting shared services implementation. *(The Edge)*

- **Sarawak Cable proposes private placement to raise up to RM7.3m**

Power cables and wires manufacturer Sarawak Cable Bhd has proposed to raise up to RM7.3m through a private placement to fund its working capital requirements. Sarawak Cable said the working capital requirement includes procurement cost for raw materials for the group's power and telecommunication cable manufacturing operations and steel structures fabrication operations. Besides that, proceeds will also be utilised for the installation and commissioning cost of several ongoing transmission line projects of the group as well as construction and commissioning cost of the mini-hydro power plant project in north Sumatera, Indonesia, which is expected to be fully operational by the fourth quarter of 2019. *(The Edge)*

- **Censof bags RM35.0m job from IRB**

Censof Holdings Bhd has bagged a RM34.7m contract from the Inland Revenue Board of Malaysia (IRB) to install licence renewal, software support and maintenance services for data warehouse systems at the board. In a bourse filing, Censof said its wholly-owned subsidiary Century Software (Malaysia) Sdn Bhd has accepted a letter of award from the IRB on Oct 1 to undertake the project. The tenure of the contract is for three years starting from Jan 1, 2020 to Dec 31, 2022. *(The Edge)*

Macro Bits

Global

- [U.S. to hit EU with tariffs of 10% on aircraft, 25% on other goods: official](#) The US will impose 10% tariffs on aircraft and 25% on other industrial and agricultural products from the EU as part of a WTO penalty award in a long-running aircraft subsidy case, an official with the U.S. Trade Representative's office said. *(Reuters)*
- [Iran to cut nuclear deal commitments until it reaches 'desired result': supreme leader](#) Iran will continue reducing its commitments under its 2015 nuclear deal until it reaches the "desired result," Supreme Leader Ayatollah Ali Khamenei said on Wednesday, according to his official website. *(Reuters)*
- [North Korea fires ballistic missile, possibly from submarine, days before talks](#) North Korea fired what may have been a submarine-launched ballistic missile from off its east coast on Wednesday, a day after it announced the resumption of talks with the United States on ending its nuclear program. *(Reuters)*

Malaysia

- **A second chance to mend the economy and to restore confidence** To be tabled on 11 October, Budget 2020 will be the final budget under the 11th Malaysia Plan (2016-2020) which also marks a turning point for Malaysia as it transitions towards a new era post Wawasan (Vision) 2020. It will face a challenging backdrop of elevated uncertainty and potentially deeper global economic slowdown. *(See Economic Viewpoint: Malaysia 2020 Budget Preview)*
- [MREPC to roll out new incentive for rubber product industry](#) The Malaysian Rubber Export Promotion Council (MREPC) is rolling out a new incentive to encourage companies in the rubber product industry to undergo social compliance audits to meet social and ethical responsibilities. *(The Edge Markets)*
- [Human Resources Ministry to meet US embassy over glove import ban issue](#) The Ministry of Human Resources said it will meet with US embassy officials over the US ban on the import of rubber gloves from a Malaysian company. *(The Edge Markets)*

Asia Pacific

- [Japan corporate inflation expectations stagnate, keep BOJ under pressure](#) Japanese companies' inflation expectations continued to stagnate in the three months to September, a Bank of Japan survey showed, a sign the central bank is making little headway in hitting its 2% price target. *(Reuters)*
- [Australia PM says disappointed in banks for not passing on rate cut in full](#) Australian Prime Minister Scott Morrison said on Wednesday he was disappointed in the country's major banks for "profiteering" by denying borrowers the full benefit of the latest central bank monetary easing. *(Reuters)*

Americas

- [U.S. blocks import of goods from five nations in rare anti-slavery crackdown](#) The US has blocked the import of goods suspected to have been made with forced labour from five countries, including clothing from China and diamonds from Zimbabwe, officials said, following a rare crackdown on slave labour abroad. *(The Edge Markets)*
- [Slowing U.S. private hiring adds to gloom over economy](#) Hiring by U.S. private employers slowed further in September, suggesting that trade tensions, which have pressured manufacturing, could be spilling over to the labor market. *(Reuters)*

Europe

- [UK PM Johnson makes final Brexit offer, draws guarded welcome from EU](#) British Prime Minister Boris Johnson made a final Brexit offer to the European Union, pitching a possible compromise for a last-minute exit deal that was cautiously welcomed by the EU though the two sides still remain far apart. *(Reuters)*
- [France ready to hit back if U.S. sanctions EU imports: minister](#) France is ready to retaliate if the United States goes ahead with trade sanctions on EU imports, its finance minister said on Wednesday after Washington won WTO backing for the measures. *(Reuters)*



03 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 | 0.650 | 16.91 | 11.77 | 0.32 | 0.650 |
| PUBLIC BANK BERHAD | 19.700 | 17.72 | 15.41 | 7.24 | 19.700 |
| BERJAYA CORP BHD | 0.235 | 18.29 | 10.84 | 0.60 | 0.235 |
| PPB GROUP BERHAD | 18.100 | 23.16 | 18.21 | 7.74 | 17.860 |
| LAFARGE MALAYSIA BHD | 2.770 | 23.94 | 18.49 | 12.07 | 2.750 |
| MSM MALAYSIA HOLDINGS BHD | 0.990 | 24.20 | 17.93 | 3.35 | 0.990 |
| MAH SING GROUP BHD | 0.755 | 25.43 | 25.70 | 37.93 | 0.745 |
| AMWAY MALAYSIA HOLDINGS BHD | 5.810 | 25.46 | 14.86 | 0.49 | 5.800 |
| FGV HOLDINGS BHD | 0.870 | 27.28 | 23.81 | 12.96 | 0.870 |
| KERJAYA PROSPEK GROUP BHD | 1.300 | 27.28 | 18.44 | 2.65 | 1.250 |
| KAREX BHD | 0.415 | 28.30 | 24.72 | 16.42 | 0.410 |
| FIMA CORP BHD | 1.760 | 28.38 | 26.44 | 15.79 | 1.760 |
| EASTERN & ORIENTAL BHD | 0.665 | 28.43 | 29.60 | 43.14 | 0.640 |
| EKOVEST BHD | 0.750 | 28.71 | 22.42 | 16.66 | 0.740 |
| TUNE PROTECT GROUP BHD | 0.565 | 28.90 | 26.21 | 18.00 | 0.560 |
| AMVERTON BHD | 1.010 | 29.34 | 19.19 | 1.70 | 1.010 |

*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 |
|-----------------------------|------------|---------|--------|--------|---------|
| VITROX CORP BHD | 8.000 | 85.65 | 92.34 | 98.71 | 8.070 |
| MAGNI-TECH INDUSTRIES BHD | 6.690 | 83.55 | 85.73 | 90.77 | 6.760 |
| DUFU TECHNOLOGY CORP BHD | 2.870 | 80.02 | 83.10 | 93.65 | 2.890 |
| INARI AMERTRON BHD | 1.890 | 76.36 | 80.32 | 80.41 | 1.910 |
| YEE LEE CORPORATION | 2.200 | 74.30 | 88.94 | 99.92 | 2.200 |
| PETRA ENERGY BHD | 1.150 | 74.29 | 75.55 | 80.22 | 1.200 |
| PENTAMASTER CORP BHD | 4.490 | 73.62 | 74.20 | 73.25 | 4.740 |
| LII HEN INDUSTRIES BHD | 3.190 | 73.17 | 77.15 | 91.19 | 3.190 |
| SCIENTEX BHD | 9.050 | 71.96 | 75.72 | 84.01 | 9.090 |
| GLOBETRONICS TECHNOLOGY BHD | 2.070 | 71.08 | 72.10 | 61.86 | 2.160 |
| 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 |
| 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 |

*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 |
|-------------------|------------|---------|--------|--------|---------|-------------|
| AIRASIA GROUP-C87 | 0.030 | 20.02 | 15.30 | 1.20 | 0.030 | 31/1/2020 |
| CIMB GROUP HO-C53 | 0.025 | 20.83 | 17.15 | 15.62 | 0.025 | 29/11/2019 |
| WCT HOLDINGS -WE | 0.055 | 23.03 | 13.87 | 0.29 | 0.050 | 27/8/2020 |
| SERBA DINAMIK-CW | 0.130 | 23.60 | 22.60 | 26.90 | 0.125 | 31/3/2020 |
| TELEKOM MALAY-C53 | 0.015 | 25.22 | 29.35 | 16.85 | 0.015 | 28/2/2020 |
| EKOVEST BHD-CY | 0.080 | 25.54 | 15.44 | 0.35 | 0.080 | 29/5/2020 |
| DRB-HICOM BHD-C86 | 0.065 | 25.59 | 18.59 | 0.79 | 0.065 | 31/3/2020 |
| FTSE Bursa Ma-7B | 0.010 | 28.13 | 21.81 | 2.10 | 0.005 | 29/11/2019 |
| GENTING BHD-C72 | 0.025 | 28.20 | 27.50 | 12.16 | 0.025 | 14/2/2020 |
| GD EXPRESS CA-CO | 0.020 | 29.95 | 25.90 | 7.40 | 0.020 | 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 |
|-----------------------|------------|---------|--------|--------|---------|-------------|
| 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 | 0.330 | 76.06 | 78.93 | 79.93 | 0.385 | 28/2/2020 |
| GREEN PACKET BHD-WB | 0.275 | 73.92 | 70.13 | 56.32 | 0.280 | 24/11/2023 |
| MMAG HOLDINGS BHD -WB | 0.140 | 73.19 | 75.05 | 81.47 | 0.140 | 27/11/2022 |
| SUNWAY BHD-WB | 0.380 | 71.30 | 80.61 | 94.22 | 0.385 | 3/10/2024 |

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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