

08 October 2019

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## Research Highlights

BURSA	7-Oct	Day chg	% chg
KLCI	1,559.0	1.33	0.09%
FTSE EMAS	11,058.6	10.0	0.09%
FTSE Smallcap	13,083.2	7.67	0.06%
FTSE MESDAQ	4,561.8	52.5	1.16%
KLSE Mkt Cap (RM'b)	1,582.3	1.0	0.06%

### NEWS HIGHLIGHTS

- YTL Land set to delist as YTL Corp has 90.45% of company
- Hibiscus buys more O&G rights in North Sea for USD5.0m
- Econpile secures RM20.8m contract
- Innoprise to own 30.0% of Priceworth under log supply agreement
- Sumatec gets termination notice for Rakushechnoye oil field deal

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	55.57	53.15
Local Retail	9.88	27.92
Foreign	-65.45	18.93

### MACRO BITS

- White House confirms U.S.-China trade talks starting Thursday
- Trump to sign trade agreements with Japan on Monday: White House
- Edged down in September on continued capital outflows (See *Economic Viewpoint: BNM Forex Reserves*)
- Targeted fuel subsidy scheme commences Jan 1
- Shared Prosperity Vision 2030 to further grow economic complexity — Azmin Ali
- ASEAN outlook falls further as trade war drags on
- Indonesia's growth lackluster as world economy grows bleaker
- Singapore seen narrowly dodging recession in third quarter, central bank to ease
- Fed's George, Rosengren don't think rate cut is justified yet
- N.Y. Fed awards USD47.05b in overnight repos
- Britain's Johnson tells EU: Brexit ball is in your court now
- Italy set to renew tax scheme to spur investment

INDICES	7-Oct	Day chg	% chg
Dow Jones	26,478.0	-95.7	-0.36%
S&P 500	2,938.8	-13.2	-0.45%
NASDAQ	7,956.3	-26.2	-0.33%
FTSE-100	7,197.9	42.5	0.59%
Nikkei 225	21,375.3	-35.0	-0.16%
SHCOMP	N.A.	N.A.	N.A.
HSI	N.A.	N.A.	N.A.
STI	3,099.5	21.1	0.69%
KOSPI	2,021.7	1.0	0.05%
TWSE	10,935.1	40.6	0.37%
JCI	6,000.6	-60.7	-1.00%
SET	1,613.7	7.8	0.48%

FOREX	7-Oct	4-Oct	% chg
USD/MYR:	4.1923	4.1850	0.17%
EUR/USD:	1.0978	1.0979	-0.01%
GBP/USD:	1.2331	1.2331	0.00%
USD/YEN:	106.89	106.94	-0.05%
USD/SGD:	1.3805	1.3787	0.13%
USD/HKD:	7.8447	7.8395	0.07%

### KEY STATS

KLCI Spot			
Vol (m shares):	2,168.4	2,046.8	5.94%
Value (RMm):	1,326.3	1,602.1	-17.22%
KLCI Future			
October 19	1,555.0	1,558.0	-0.19%
November 19	1,556.0	1,559.0	-0.19%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	915.3	916.3	-0.11%
SoyOil (USc/lb)	30.3	30.1	0.66%
Gold (US\$/troy oz)	1,504.4	1,512.9	-0.56%
Nymex crude oil (US\$/bbl)	52.8	52.8	-0.11%
Latex (RM/kg)	4.24	4.25	-0.12%
Tin (US\$/mt)	16,307.0	16,448.0	-0.86%

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

- Company Update: ANNJO, BAUTO
- On Our Technical Watch: D&O, GTRONIC
- Economic Viewpoint: BNM Forex Reserve

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	4.49	0.2	4.58	DIALOG	3.40	1.2	4.03	SIME	2.25	-1.8	1.49
2	MAYBANK	8.47	0.4	4.10	RHBBANK	5.62	0.9	1.66	PCHEM	7.20	-1.5	2.66
3	DIALOG	3.40	1.2	4.03	TENAGA	13.64	0.9	1.25	HARTA	5.21	-0.8	1.61
4	CIMB	4.86	0.0	3.44	PETDAG	23.68	0.9	0.22	IOICORP	4.27	-0.7	0.41
5	PBBANK	19.34	0.3	3.15	GENTING	5.73	0.5	1.44	GENM	3.05	-0.7	2.68
6	GENM	3.05	-0.7	2.68	MAYBANK	8.47	0.4	4.10	SIMEPLT	4.70	-0.6	0.66
7	PCHEM	7.20	-1.5	2.66	PBBANK	19.34	0.3	3.15	AMBANK	3.95	-0.5	1.07
8	MISC	7.78	-0.3	2.26	AXIATA	4.28	0.2	1.10	HLFG	16.08	-0.4	0.04
9	KLK	21.18	-0.3	1.98	TOPGLOV	4.49	0.2	4.58	AIRPORT	8.67	-0.3	0.83
10	RHBBANK	5.62	0.9	1.66	IHH	5.66	0.2	0.27	KLK	21.18	-0.3	1.98

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **YTL Land set to delist as YTL Corp has 90.45% of company**

YTL Corp Bhd has secured 90.45% of YTL Land & Development Bhd as at the close of its takeover offer. In a filing with the stock exchange, YTL Corp said as at 5pm, it had received valid acceptances resulting in it holding 750.0m YTL Land shares and 903.0m YTL Land irredeemable convertible unsecured loan stocks (ICULS), representing approximately 90.45% of the total YTL Land shares in issue and 91.04% of the total outstanding YTL Land ICULS respectively. As such, trading of securities in YTL Land will be suspended by Bursa Securities from next Monday (Oct 14), being the expiry of five market days from the final closing date. *(The Edge)*

- **Hibiscus buys more O&G rights in North Sea for USD5.0m**

Hibiscus Petroleum Bhd, through its indirect wholly-owned subsidiary Anasuria Hibiscus UK Ltd (AHUK), is acquiring more oil and gas rights from United Oil & Gas PLC and Swift Exploration Ltd for up to USD5.0m cash. The latest two blocks are located offshore in the UK sector of the North Sea, 250km northeast of Aberdeen. In a bourse filing, Hibiscus said it had on July 17 signed a sale and purchase agreement (SPA) to acquire License P2366, comprising North Sea Blocks 15/18d and 15/19b, from United and Swift. The two companies were awarded License P2366 as part of the UK's Oil and Gas Authority's 30th Licencing Round in August 2018, and they hold 95.0% and 5.0% participating interest respectively. *(The Edge)*

- **Econpile secures RM20.8m contract**

Econpile Holdings Bhd's unit has been awarded a contract worth RM20.8m to undertake works for a proposed commercial development in Subang Jaya. In an exchange filing, Econpile said the contract is for earthworks, soil nailing works, piling and pilecap, as well as basement lowest floor slab works for the development, which comprises a commercial block with serviced apartments and small office/home office (SoHo), a seven-storey podium block and retail space. The contract, which was awarded to its wholly-owned subsidiary Econpile (M) Sdn Bhd by Tropicana Metropark Sdn Bhd, is for a duration of 12 months. *(The Edge)*

- **Innoprise to own 30.0% of Priceworth under log supply agreement**

Priceworth International Bhd signed a log supply agreement with a unit of Innoprise Corp Sdn Bhd under which Priceworth will issue new shares to Innoprise, amounting to a 30.0% stake in the company, for logs supplied. In a filing with Bursa Malaysia, Priceworth said it had entered the log supply agreement with Rakyat Berjaya Sdn Bhd (RBSB), a subsidiary of Innoprise, the investment holding vehicle of Yayasan Sabah, pursuant to a memorandum of understanding signed earlier. Innoprise Corp will be entitled to appoint two directors to the board; it also has the right to appoint the chief executive officer upon the issue of the new shares following the completion and acceptance of a due diligence exercise within two months from the date of the agreement. *(The Edge)*

- **Sumatec gets termination notice for Rakushechnoye oil field deal**

Practice Note 17 (PN17) company Sumatec Resources Bhd has received a notice from CaspiOilGas LLP (COG), owned by its executive vice-chairman Tan Sri Halim Saad, terminating a joint investment agreement (JIA) for the development and extraction of hydrocarbon in the Rakushechnoye oil field in Kazakhstan. Sumatec had entered into the agreement with Markmore Energy (Labuan) Ltd (MELL) and COG for the proposed project on March 8, 2012. COG cited the constraints faced under the current financial and legal predicaments of the financially-distressed Sumatec, as a reason for the termination. *(The Edge)*



## Macro Bits

### Global

- [White House confirms U.S.-China trade talks starting Thursday](#) Top U.S. officials will welcome a high-ranking Chinese delegation starting Oct. 10 for the latest round of trade talks aimed at easing tensions between the world's two largest economies, the White House confirmed on Monday. *(Reuters)*
- [Trump to sign trade agreements with Japan on Monday: White House](#) U.S. President Donald Trump will sign two trade agreements with Japan later on Monday, the White House said in a statement. *(Reuters)*

### Malaysia

- [Edged down in September on continued capital outflows.](#) Bank Negara Malaysia (BNM) international reserves fell by USD0.5b or 0.5% MoM to USD103.0b as at September 30, its second straight month of decline. According to BNM, the reserves position is sufficient to finance 7.6 months of retained imports and is 1.1 times the total short-term external debt. The reserves level also has taken into account the quarterly adjustment for foreign exchange revaluation changes. *(See Economic Viewpoint: BNM Forex Reserves)*
- [Targeted fuel subsidy scheme commences Jan 1](#) The Targeted Fuel Subsidy Scheme will be implemented on Jan 1, 2020, said Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail. *(The Edge Markets)*
- [Shared Prosperity Vision 2030 to further grow economic complexity — Azmin Ali](#) Shared Prosperity Vision 2030 (SPV 2030) is aimed to further grow economic complexity and propel the nation towards high value-added economic activities, said Minister of Economic Affairs Datuk Seri Mohamed Azmin Ali. *(The Edge Markets)*

### Asia Pacific

- [ASEAN outlook falls further as trade war drags on](#) The outlook for Asian economies has once again been lowered as the consequences of the U.S.-China trade war, such as decreased trade, spread across the region. The 2019 growth forecast for the five major Association of Southeast Asian Nation countries was revised down 0.2 points to 4.1%, marking the fifth consecutive downward revision since a September 2018 survey. *(Nikkei Asian Review)*
- [Indonesia's growth lackluster as world economy grows bleaker](#) Indonesia's economy has seen lower-than-expected growth this year, as trade war-driven global economic concerns have slowly crept into consumer confidence following a string of negative economic projections from much weaker global trade to recession in large economies. *(The Jakarta Post)*
- [Singapore seen narrowly dodging recession in third quarter, central bank to ease](#) Singapore's economy likely escaped a technical recession in the third quarter even as growth stayed subdued, weighed down by the prolonged trade dispute between the United States and China, a Reuters poll showed. *(Reuters)*

### Americas

- [Fed's George, Rosengren don't think rate cut is justified yet](#) The U.S. economy's loss of momentum isn't severe enough to warrant a further reduction to interest rates, two hawkish Federal Reserve board members said. *(Bloomberg)*
- [N.Y. Fed awards USD47.05b in overnight repos](#) The New York Federal Reserve on Monday awarded USD47.05b of a maximum USD75.0b 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

- [Britain's Johnson tells EU: Brexit ball is in your court now](#) Prime Minister Boris Johnson told the European Union on Monday that the Brexit ball was in its court and that the bloc should now urgently discuss in detail his proposal for breaking the deadlock in talks ahead of Britain's departure on Oct. 31. *(Reuters)*
- [Italy set to renew tax scheme to spur investment](#) Italy plans to renew corporate tax breaks to support investments in innovation and widen the measures to include spending on environmentally friendly projects, Economy Minister Roberto Gualtieri said on Monday. *(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
PUBLIC BANK BERHAD	19.340	16.55	15.37	18.65	19.200
AMWAY MALAYSIA HOLDINGS BHD	5.700	17.39	7.71	0.09	5.680
BERJAYA CORP BHD	0.235	18.29	10.84	0.60	0.225
KUALA LUMPUR KEPONG BHD	21.180	19.33	13.82	3.50	20.900
PPB GROUP BERHAD	17.920	19.35	15.20	15.83	17.700
MSM MALAYSIA HOLDINGS BHD	0.955	23.28	18.02	14.78	0.950
KUMPULAN PERANGSANG SELANGOR	0.655	23.59	24.53	49.33	0.645
AMFIRST REAL ESTATE INVESTM	0.490	23.62	14.03	0.13	0.490
EKOVEST BHD	0.730	24.11	17.00	6.95	0.730
TUNE PROTECT GROUP BHD	0.550	24.67	20.15	7.18	0.545
EASTERN & ORIENTAL BHD	0.660	27.23	27.59	26.54	0.640
Y.S.P.SOUTHEAST ASIA HOLDING	2.250	28.09	24.17	5.08	2.250
UOA DEVELOPMENT BHD	1.890	28.52	23.35	7.96	1.870
MALAYAN CEMENT BHD	2.770	28.79	26.65	29.45	2.750
LBS BINA GROUP BHD	0.490	28.86	25.21	23.33	0.485
FGV HOLDINGS BHD	0.855	28.89	27.63	30.49	0.845
STAR MEDIA GROUP BHD	0.525	29.16	29.15	17.93	0.525
UOA REAL ESTATE INVESTMENT	1.230	29.32	27.68	26.06	1.200
KSL HOLDINGS BHD	0.765	29.44	19.36	0.50	0.765
PETRON MALAYSIA REFINING & M	5.030	29.47	24.30	7.58	5.000
SP SETIA BHD	1.350	29.56	28.80	17.78	1.330

\*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	6.990	87.50	90.62	97.59	7.000
GUAN CHONG BHD	4.640	83.86	89.00	97.28	4.660
INARI AMERTRON BHD	2.000	83.55	88.60	95.62	2.040
PETRA ENERGY BHD	1.300	82.18	85.81	94.91	1.360
DUFU TECHNOLOGY CORP BHD	2.920	81.55	85.12	95.83	2.980
UNISEM (M) BERHAD	2.670	81.50	87.25	96.36	2.680
VITROX CORP BHD	8.210	81.50	84.12	78.18	8.400
PENTAMASTER CORP BHD	4.800	80.16	82.96	92.81	4.920
REDTONE INTERNATIONAL BHD	0.565	80.03	85.02	97.88	0.570
DAYANG ENTERPRISE HLDGS BHD	1.770	74.98	81.15	93.23	1.780
MALAYSIAN PACIFIC INDUSTRIES	9.850	74.13	82.05	97.91	9.900
THONG GUAN INDUSTRIES BHD	2.840	73.88	76.48	74.93	2.950
UZMA BHD	0.960	73.73	77.01	95.24	0.985
MEGA FIRST CORP BHD	4.280	72.49	75.65	90.88	4.310
SCIENTEX BHD	9.080	71.71	75.05	81.66	9.100
ELSOFT RESEARCH BHD	1.020	71.32	76.91	93.65	1.040
GLOBETRONICS TECHNOLOGY BHD	2.110	71.30	72.46	74.98	2.160
KARAMBUNAI CORP BHD	0.105	70.75	73.91	70.52	0.110
JHM CONSOLIDATION BHD	1.320	70.09	75.13	87.83	1.340

\*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	0.075	12.57	6.69	0.05	0.075	31/3/2020
AIRASIA GROUP-C87	0.020	15.59	10.05	0.40	0.020	31/1/2020
AIRASIA GROUP-C92	0.055	20.74	14.09	1.94	0.055	31/3/2020
MALAYSIA BUIL-C25	0.025	21.34	20.70	5.23	0.025	28/2/2020
PRINSIPTEK -WA	0.010	21.52	13.19	0.27	0.010	16/11/2019
GENTING MALAY-C61	0.025	22.22	21.92	9.26	0.025	30/4/2020
AIRASIA GROUP-C89	0.025	24.58	18.48	3.71	0.025	14/2/2020
GENTING MALAY-C60	0.055	25.96	23.41	3.55	0.055	31/3/2020
GENTING MALAY-C50	0.015	26.79	23.99	27.38	0.010	31/10/2019
SAPURA ENERGY-C78	0.030	27.76	25.93	8.73	0.030	11/2/2020
FGV HOLDINGS-C81	0.085	28.57	27.22	24.37	0.085	31/3/2020
MY EG SERVICE-C71	0.090	29.22	20.31	1.12	0.090	29/11/2019
GAMUDA BHD-WE	0.235	29.39	24.90	8.62	0.230	6/3/2021
WCT HOLDINGS -WE	0.055	29.97	30.01	54.98	0.050	27/8/2020

Source: Bloomberg

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## 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	0.245	86.53	91.37	99.29	0.265	14/6/2021
INARI AMERTRO-C48	0.150	84.66	87.56	96.01	0.150	31/3/2020
GUAN CHONG BH-CG	0.210	84.19	88.55	96.84	0.215	15/5/2020
PENTAMASTER C-CE	0.400	83.77	87.91	95.91	0.420	28/2/2020
INARI AMERTRO-C46	0.145	73.97	80.62	92.20	0.155	28/2/2020
MEGA FIRST -WA	2.030	70.01	73.74	87.72	2.060	8/4/2020

Source: Bloomberg

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**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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