

21 February 2020

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Research Highlights

BURSA	20-Feb	Day chg	% chg
KLCI	1,535.0	0.82	0.05%
FTSE EMAS	10,988.7	3.3	0.03%
FTSE Smallcap	14,012.6	41.04	0.29%
FTSE MESDAQ	5,650.7	39.7	0.71%
KLSE Mkt Cap (RM'b)	1,593.4	-0.4	-0.03%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	64.31	48.69
Local Retail	39.50	27.22
Foreign	-103.81	24.09

INDICES	20-Feb	Day chg	% chg
Dow Jones	29,220.0	-128.0	-0.44%
S&P 500	3,373.2	-12.9	-0.38%
NASDAQ	9,751.0	-66.2	-0.67%
FTSE-100	7,436.6	-20.4	-0.27%
Nikkei 225	23,479.2	78.5	0.34%
SHCOMP	3,030.2	54.8	1.84%
HSI	27,609.2	-46.7	-0.17%
STI	3,198.7	-15.0	-0.47%
KOSPI	2,195.5	-14.8	-0.67%
TWSE	11,725.1	-33.8	-0.29%
JCI	5,942.5	13.7	0.23%
SET	1,491.2	-14.3	-0.95%

FOREX	20-Feb	19-Feb	% chg
USD/MYR:	4.1820	4.1613	0.50%
EUR/USD:	1.0792	1.0801	-0.08%
GBP/USD:	1.2880	1.2982	-0.79%
USD/YEN:	112.16	110.33	1.66%
USD/SGD:	1.4009	1.3921	0.63%
USD/HKD:	7.7823	7.7706	0.15%

KEY STATS

KLCI Spot			
Vol (m shares):	2,961.7	2,544.2	16.41%
Value (RMm):	2,272.9	1,950.6	16.52%
KLCI Future			
February 20	1,539.5	1,532.5	0.46%
March 20	1,530.0	1,525.0	0.33%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	892.8	897.3	-0.50%
SoyOil (USc/lb)	30.5	30.7	-0.75%
Gold (US\$/troy oz)	1,620.5	1,611.8	0.54%
Nymex crude oil (US\$/bbl)	53.8	53.3	0.92%
Latex (RM/kg)	4.63	4.64	-0.11%
Tin (US\$/mt)	N.A.	16,518.0	N.A.

NEWS HIGHLIGHTS

- GDex 2Q net profit down on absence of gain, warns of Covid-19 impact
- Paramount looks to expedite RM177.0m in special dividend payout
- Malaysia Smelting Corp ends FY19 on a weak note, proposes 2 sen dividend
- Rohas Tecnic bags power line jobs worth RM192.0m in Bangladesh
- Body Shop franchisee InNature shares rise on Bursa debut

MACRO BITS

- World Bank pandemic bond under pressure as coronavirus spreads
- U.S. sanctions Iran elections officials for blocking candidates
- Businesses can expect direct help from stimulus package — Ong
- Fund injection to counter impact of Covid-19 on tourism — Mohamaddin
- Covid-19: Hotel room cancellations result in RM66m losses — MAH
- Cuts key rates and growth projection amid COVID-19 fallout (See *Economic Viewpoint: Bank Indonesia Rate Decision*)
- China cuts benchmark lending rate as economy struggles to shake off virus shock
- China Jan new bank loans hit record, more policy support seen
- U.S. jobless claims rise a second week to 210,000, as forecast
- Fed's Clarida says U.S. economy is strong, still too soon to judge virus risk
- Boris Johnson's splurge gets green light from investors
- Brexit makes integrating EU capital markets more urgent, Commission says

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: BAT, MAGNUM, MAXIS, PPB (Wilmar), PHARMA, SUNCON, YTLPOWR
- On Our Technical Watch: JOHOTIN, YINSON
- Rating Summary
- Economic Viewpoint: BI Rate Decision

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	5.30	-2.4	16.30	TENAGA	12.78	1.4	4.56	AIRPORT	6.88	-2.4	4.08
2	DIALOG	3.41	0.9	12.70	PMETAL	4.99	1.2	3.17	TOPGLOV	5.30	-2.4	16.30
3	GENM	3.03	0.0	10.90	PBBANK	18.12	1.0	3.83	PPB	18.32	-1.8	0.30
4	CIMB	4.98	0.6	7.88	DIALOG	3.41	0.9	12.70	RHBBANK	5.67	-1.4	5.38
5	HARTA	5.89	-0.5	7.85	SIMEPLT	5.11	0.8	2.09	IOICORP	4.46	-1.3	1.22
6	MISC	7.80	-1.3	6.68	CIMB	4.98	0.6	7.88	MISC	7.80	-1.3	6.68
7	GENTING	5.45	-1.1	6.57	MAXIS	5.40	0.6	1.84	GENTING	5.45	-1.1	6.57
8	MAYBANK	8.42	0.2	6.47	HLBANK	15.38	0.3	0.72	HAPSENG	9.40	-1.0	0.17
9	SIME	2.15	-0.9	6.09	MAYBANK	8.42	0.2	6.47	SIME	2.15	-0.9	6.09
10	PCHEM	6.55	0.2	5.94	PCHEM	6.55	0.2	5.94	KLK	22.84	-0.8	0.35

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **GDex 2Q net profit down on absence of gain, warns of Covid-19 impact**

GD Express Carrier Bhd's (GDex) net profit nearly halved in its second quarter ended Dec 31, 2019 (2QFY20), mainly due to the absence of proceeds from the redemption of convertible bonds, besides other expenses including warehouse expansion. Its net profit fell 45.1% year-on-year to RM5.9m during the quarter from RM10.7m, despite recording a 5.5% gain in revenue to RM87.4m, versus RM82.8m in the year-ago quarter. In an exchange filing, GDex said its higher revenue reported in the quarter was mainly due to the increase in demand of courier services for e-commerce business-to-consumer [B2C] business. *(The Edge)*

- **Paramount looks to expedite RM177.0m in special dividend payout**

Paramount Corp Bhd wants to expedite the distribution of the RM177.0m allocated as special dividend to its investors following the completion of the sale of its controlling equity interest in its pre-tertiary education business to Prestigion Education Sdn Bhd. "An announcement will be made once the board decides on the entitlement basis and the date of distribution," Paramount group chief executive officer Jeffrey Chew said in a statement. The amount received was RM569.2m that is 5.3% more than the disposal consideration of RM540.5m. The additional amount is attributed to Paramount's entitlement of Locked Box Compensation less notified leakages. *(The Edge)*

- **Malaysia Smelting Corp ends FY19 on a weak note, proposes 2 sen dividend**

Malaysia Smelting Corp Bhd (MSC) slipped into the red in the fourth quarter ended Dec 31, 2019 (4QFY19) due to poorer performance in the tin smelting division, which was impacted by an inventory write-down of RM13.8m and the provision for a voluntary separation scheme of RM15.0m. This is in addition to lower profit from the sale of by-products and less favourable average tin prices during the current quarter. According to the Kuala Lumpur Tin Market, tin prices in 4QFY19 averaged USD16,690 per tonne against USD19,130 per tonne in 4QFY18. The group posted a net loss of RM13.2m compared with a net profit of RM15.6m a year ago. *(The Edge)*

- **Rohas Tecnic bags power line jobs worth RM192.0m in Bangladesh**

Infrastructure engineering firm Rohas Tecnic Bhd has bagged two contracts worth a combined RM192.0m to install transmission lines in Bangladesh. In a filing with Bursa Malaysia, Rohas Tecnic said the contracts were awarded to its subsidiary HG Power Transmission Sdn Bhd (HGPT) by Power Grid Co of Bangladesh Ltd. The first contract, worth RM126 million, is for the design, supply, installation, testing, and commissioning of 230 kilovolt (kV) and 132kV transmission lines on a turnkey basis. The contract duration is 30 months. *(The Edge)*

- **Body Shop franchisee InNature shares rise on Bursa debut**

InNature Bhd's share price rose as much as 10 sen or 15.63% to 74 sen in morning trades in conjunction with the The Body Shop International Ltd franchisee's debut on Bursa Malaysia's Main Market. InNature shares opened at 72 sen at 9am against its initial public offering (IPO) price of 64 sen. At 5pm, the stock closed at 65.5 sen with some 143.7m shares changing hands to become Bursa's most-active stock. At the listing ceremony here, InNature managing director Datin Mina Cheah-Foong said while the company recognises the challenges from the Covid-19 outbreak, it is still too early for the company to know the impact from the outbreak on InNature's business. *(The Edge)*



Macro Bits

Global

- [World Bank pandemic bond under pressure as coronavirus spreads](#) A World Bank bond designed to deliver funding to help the world's poorest countries to tackle fast-spreading diseases has lost half its value as the coronavirus outbreak in China has fanned fears that investors could face hefty losses. *(Reuters)*
- [U.S. sanctions Iran elections officials for blocking candidates](#) The U.S. said it has sanctioned members of an Iranian government agency that it says rigs elections in the country by disqualifying candidates who don't echo the political ideology of Ayatollah Ali Khamenei. *(Bloomberg)*

Malaysia

- [Businesses can expect direct help from stimulus package — Ong](#) Businesses that are most severely affected by the Covid-19 outbreak can expect to receive direct assistance under the economic stimulus package, especially those in the tourism, retail and aviation sector, said International Trade and Industry Deputy Minister Dr Ong Kian Ming. *(The Edge Markets)*
- [Fund injection to counter impact of Covid-19 on tourism — Mohamaddin](#) The Tourism, Arts and Culture Ministry (MOTAC) will consider funding injection to help tourism players counter the impact of the Covid-19 situation that has now affected almost every part of the globe. *(The Edge Markets)*
- [Covid-19: Hotel room cancellations result in RM66m losses — MAH](#) The impact of the Covid-19 outbreak has resulted in the cancellation of over 157,000 hotel room bookings — a loss of RM66.0m in terms of revenue as of Feb 17, according to the Malaysia Association of Hotels (MAH). *(The Edge Markets)*

Asia Pacific

- [Cuts key rates and growth projection amid COVID-19 fallout](#) Bank Indonesia (BI) yesterday cut its 7-day repo rate by 25 basis points (bps) to 4.75% in line with market and house expectation. The Deposit Facility rate and Lending Facility rate were also reduced to 4.00% and 5.50%, respectively. *(See Economic Viewpoint: Bank Indonesia Rate Decision)*
- [China cuts benchmark lending rate as economy struggles to shake off virus shock](#) China cut the benchmark lending rate on Thursday, as widely expected, as the authorities move to lower financing costs for businesses and support an economy jolted by a severe coronavirus outbreak. *(Reuters)*
- [China Jan new bank loans hit record, more policy support seen](#) New bank loans in China rose more than expected to a record high in January, as authorities step up support for an economy hit by trade tensions and facing a new threat from a fast-spreading coronavirus outbreak. *(Reuters)*

Americas

- [U.S. jobless claims rise a second week to 210,000, as forecast](#) Filings for U.S. unemployment benefits increased for a second week, though remained near levels signaling that the labor market is historically tight. *(Bloomberg)*
- [Fed's Clarida says U.S. economy is strong, still too soon to judge virus risk](#) The U.S. economy is showing no signs of losing steam, U.S Federal Reserve Vice Chair Richard Clarida said on Thursday, showing little alarm about the potential of the coronavirus outbreak to alter the central bank's interest rate policy. *(Reuters)*

Europe

- [Boris Johnson's splurge gets green light from investors](#) The bond market is signaling approval of U.K. Prime Minister Boris Johnson's planned spending spree. With the March 11 budget looming into view, the average cost of government borrowing is close to the lowest levels on record. *(Bloomberg)*
- [Brexit makes integrating EU capital markets more urgent, Commission says](#) Britain's departure from the European Union has created an unprecedented sense of urgency for "full and unwavering" political backing to integrate the EU's capital market, a report said on Thursday. *(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
MANULIFE HOLDINGS BHD	2.310	26.81	14.85	0.55	2.310

*Only for stocks with market cap >RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
GREEN PACKET BHD	0.890	87.10	90.61	97.16	0.915
CARLSBERG BREWERY MALAYSIA B	38.040	84.15	87.89	97.53	38.360
YINSON HOLDINGS BHD	7.240	83.28	86.90	89.85	7.380
MUDA HOLDINGS BERHAD	1.620	80.12	88.75	99.28	1.660
PANSAR BHD	0.685	78.79	84.06	94.04	0.690
DUFU TECHNOLOGY CORP BHD	4.820	75.35	76.79	85.91	4.820
DAIBOCHI BHD	2.550	74.06	79.32	84.50	2.600
OMESTI BHD	0.635	73.71	78.44	87.65	0.650
DKSH HOLDINGS MALAYSIA BHD	2.820	73.67	80.36	95.37	2.950
ABF MALAYSIA BOND INDEX FUND	1.256	73.02	77.96	91.84	1.256
JF TECHNOLOGY BHD	1.850	72.93	76.97	88.42	1.850
RCE CAPITAL BHD	1.810	71.85	79.06	93.82	1.840

*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
FGV HOLDINGS-C88	0.110	13.04	11.45	1.95	0.110	7/12/2020
PUBLIC BANK B-C38	0.010	25.08	17.78	1.09	0.010	15/5/2020
GENTING BHD-C77	0.010	25.17	19.38	4.53	0.010	27/4/2020
MY EG SERVICE-C81	0.030	27.97	34.34	48.02	0.020	27/4/2020
AIRASIA GROUP-C93	0.010	28.57	25.04	16.05	0.005	30/7/2020
KNM GROUP-WB	0.005	29.34	29.03	30.51	0.005	21/4/2020

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	0.455	88.92	93.72	99.07	0.460	24/11/2023
LOTUS KFM BHD-WB	0.090	76.11	77.88	70.68	0.100	25/11/2024
GUNUNG CAPITAL BHD-WB	0.275	75.07	75.42	90.00	0.285	4/10/2020
NOTION VTEC-WC	0.905	71.68	73.40	69.79	0.930	14/3/2023

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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