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Research Highlights

BURSA	24-Feb	Day chg	% chg
KLCI	1,490.1	-41.14	-2.69%
FTSE EMAS	10,646.1	-319.5	-2.91%
FTSE Smallcap	13,590.1	-517.63	-3.67%
FTSE MESDAQ	5,648.1	-98.8	-1.72%
KLSE Mkt Cap (RM'b)	1,543.2	-43.4	-2.73%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-163.43	54.37
Local Retail	237.78	26.28
Foreign	-74.34	19.35

INDICES	24-Feb	Day chg	% chg
Dow Jones	27,960.8	-1,031.6	-3.56%
S&P 500	3,225.9	-111.9	-3.35%
NASDAQ	9,221.3	-355.3	-3.71%
FTSE-100	7,156.8	-247.1	-3.34%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,031.2	-8.4	-0.28%
HSI	26,820.9	-487.9	-1.79%
STI	3,142.2	-38.8	-1.22%
KOSPI	2,079.0	-83.8	-3.87%
TWSE	11,534.9	-151.5	-1.30%
JCI	5,807.1	-75.2	-1.28%
SET	1,435.6	-59.5	-3.98%

FOREX	24-Feb	21-Feb	% chg
USD/MYR:	4.2265	4.1915	0.84%
EUR/USD:	1.0816	1.0847	-0.29%
GBP/USD:	1.2898	1.2964	-0.51%
USD/YEN:	111.29	111.61	-0.29%
USD/SGD:	1.4026	1.3978	0.34%
USD/HKD:	7.7938	7.7876	0.08%

KEY STATS

KLCI Spot			
Vol (m shares):	4,033.5	2,732.2	47.63%
Value (RMm):	3,905.8	2,136.6	82.80%
KLCI Future			
February-20	1,491.5	1,532.0	-2.64%
March-20	1,480.0	1,523.0	-2.82%
CPO Price (RM/tonne)	2,543.0	2,622.0	-3.01%
Soybean (US\$/bu)	874.3	890.5	-1.82%
SoyOil (USc/lb)	29.9	31.0	-3.68%
Gold (US\$/troy oz)	1,676.6	1,648.8	1.69%
Nymex crude oil (US\$/bbl)	51.4	53.4	-3.65%
Latex (RM/kg)	4.62	4.65	-0.65%
Tin (US\$/mt)	N.A.	16,627.0	N.A.

NEWS HIGHLIGHTS

- Guan Chong posts record full-year profit, proposes one sen dividend
- Globetronics 4Q net profit falls by a third, warns of more challenges
- Hextar Global to venture into smart agriculture
- AirAsia X asks lessors for lease payment deferrals — report
- Tiong Nam 3Q net profit more than doubles to RM1.8m

MACRO BITS

- Coronavirus cases spread outside China, fall inside, winning WHO's praises
- Europeans, Britain, China, Russia to meet Iran in Vienna on Feb. 26
- Malaysia's Mahathir quits but asked to stay as interim PM
- Political uncertainties affect economy, says Lim Guan Eng
- BNM says 'closely monitoring' financial markets
- Exports rebound in January on surge in gold shipments, bucked regional trend (See *Economic Viewpoint: Thailand External Trade*)
- China not considering travel advisories for countries with rising coronavirus cases
- South Korea may consider supplementary budget to head off virus impact
- Exclusive: U.S. sees no material impact from virus on U.S.-China trade deal - for now
- Trump says U.S. keen to boost defense equipment sales to India
- EU-UK trade talks could start next week: diplomat
- Boris Johnson set to begin trade talks with U.S. in two weeks - Telegraph

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Notes: AEON, ANNJOO, HSPLANT, PMETAL, UEMS
- On Our Technical Watch: TOPGLOV, DUFU
- Economic Viewpoint : Thailand External Trade

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	MAYBANK	8.20	-2.5	31.80	TOPGLOV	5.44	2.8	24.30	SIME	1.99	-5.2	18.70
2	GENM	2.95	-2.6	29.10	HARTA	5.91	0.5	6.30	TENAGA	12.14	-5.0	9.40
3	CIMB	4.86	-2.8	29.10	PETGAS	16.50	0.2	0.88	GENTING	5.27	-4.5	12.40
4	TOPGLOV	5.44	2.8	24.30	HLFG	16.06	0.1	0.28	KLK	22.20	-4.3	1.19
5	SIME	1.99	-5.2	18.70	NESTLE	142.40	-0.2	0.07	PBBANK	17.40	-4.1	11.20
6	GENTING	5.27	-4.5	12.40	HAPSENG	9.30	-0.2	0.21	RHBBANK	5.50	-3.7	11.00
7	AXIATA	4.14	-2.6	11.30	PMETAL	4.88	-0.4	2.26	MISC	7.42	-3.5	9.93
8	PBBANK	17.40	-4.1	11.20	MAXIS	5.39	-0.9	1.26	IOICORP	4.30	-3.4	2.46
9	RHBBANK	5.50	-3.7	11.00	AMBANK	3.76	-1.3	6.19	PPB	17.94	-3.0	0.37
10	PCHEM	6.36	-1.4	10.20	PCHEM	6.36	-1.4	10.20	SIMEPLT	4.90	-3.0	4.09

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Guan Chong posts record full-year profit, proposes one sen dividend**

Guan Chong Bhd, the world's fourth largest cocoa grinder, posted a fresh record net profit of RM219.4m for the financial year ended Dec 31, 2019 (FY19), up 15.4% from RM190.1m in FY18. Guan Chong attributed the better annual performance to a 20.1% year-on-year jump in sales volume for cocoa ingredients, in addition to enhanced operating efficiency. The growth in sales volume was supported by an expanded annual grinding capacity of 250,000 tonnes since the first quarter of 2019, compared to 200,000 tonnes previously. Revenue for FY19 grew 29.4% to RM2.9b from RM2.3b in the previous year. *(The Edge)*

- **Globetronics 4Q net profit falls by a third, warns of more challenges**

Globetronics Technology Bhd's net profit fell by one-third in the fourth quarter ended Dec 31, 2019 (4QFY19) to RM14.5m, from RM21.9m in the year-ago quarter, which it blamed on lower volume loadings of products from some customers. Revenue was down 28.3% to RM58.9m from RM82.3m, its exchange filing today showed. This brings the electronic component maker's full-year net profit to RM44.7m, down 36.2% from RM70.1m in FY18, while revenue sank 34% to RM216.3m from RM327.9m. *(The Edge)*

- **Hextar Global to venture into smart agriculture**

Hextar Global Bhd is planning to venture into smart agriculture by partnering with foreign entities with expertise in drones and smart unmanned aerial vehicle (UAV). The company said the new business venture will include sales of equipment and providing services as well as consultancy services on the use of 5G technology to the plantation industry in an effort to drive cost efficiencies. "This is synergistic with the company's current business of manufacturing and distribution of pesticide," it said in a filing with Bursa Malaysia. *(The Edge)*

- **AirAsia X asks lessors for lease payment deferrals — report**

AirAsia X Bhd (AAX) is looking to delay its lease rental payments to tide itself over during the 2019 novel coronavirus (Covid-19) crisis, air travel data and analytics company Cirium reported quoting sources. In an article , FlightGlobal reported an executive at one of AAX's lessors telling Cirium that it is unlikely his company will allow AirAsia X to skip lease payments entirely, but may be open to letting it postpone payments. The report also quoted another executive at a different lessor with exposure to the airline as saying this is not the first time AAX has asked for lease rental payment deferrals. *(The Edge)*

- **Tiong Nam 3Q net profit more than doubles to RM1.8m**

Logistics and warehousing provider Tiong Nam Logistics Holdings Bhd more than doubled its net profit to RM1.8m or 0.39 sen a share for the third quarter ended Dec 31, 2019 (3QFY2020) from RM772,000 or 0.16 sen a year ago, thanks to higher contribution from its property development and investment segments and lower direct operation expenses. However, the gains were partly offset by higher depreciation and amortisation, finance costs, overhead costs and tax expenses, it said in a filing to Bursa Malaysia. Revenue also rose 6.63% to RM155.9m in 3QFY20 from RM146.2m a year ago. *(The Edge)*



Macro Bits

Global

- [Coronavirus cases spread outside China, fall inside, winning WHO's praises](#) Italy, South Korea and Iran reported sharp rises in coronavirus infections on Monday, but China relaxed curbs on movement as the rate of new infections there eased and a visiting World Health Organization team reported steep declines in visits to clinics. *(Reuters)*
- [Europeans, Britain, China, Russia to meet Iran in Vienna on Feb. 26](#) China, Russia, France, Germany and Britain will meet with Iran in Vienna on Feb. 26 to discuss how to uphold the 2015 nuclear deal with Tehran, the European Commission said in a statement on Tuesday. *(Reuters)*

Malaysia

- [Malaysia's Mahathir quits but asked to stay as interim PM](#) Malaysia's Mahathir Mohamad unexpectedly resigned as prime minister on Monday, leaving the Southeast Asian nation in political turmoil, but the country's monarch asked him to stay on as interim premier until a successor is appointed. *(Reuters)*
- [Political uncertainties affect economy, says Lim Guan Eng](#) The current political turmoil has affected the government's efforts to improve the economy and livelihood of Malaysian businesses and the ordinary rakyat, says Democratic Action Party (DAP) secretary-general Lim Guan Eng. *(The Edge Markets)*
- [BNM says 'closely monitoring' financial markets](#) Bank Negara Malaysia (BNM) said today that the central bank is closely monitoring conditions within financial markets, in light of recent developments that are currently unfolding. *(The Edge Markets)*

Asia Pacific

- [Exports rebound in January on surge in gold shipments, bucked regional trend](#) Exports charted its first expansion in six months (3.3% YoY; consensus: -3.0%; Dec: -1.3%) in January. By segment, the better export performance was led by manufacturing and mineral & fuel. *(See Economic Viewpoint: Thailand External Trade)*
- [China not considering travel advisories for countries with rising coronavirus cases](#) China's foreign ministry said on Monday that Beijing was not considering issuing travel advisories for countries such as South Korea and Japan that are reporting an increase in coronavirus cases. *(Reuters)*
- [South Korea may consider supplementary budget to head off virus impact](#) South Korean President Moon Jae-in on Monday said the government should start reviewing whether a supplementary budget should be drawn up to head off the impact of the coronavirus outbreak on Asia's fourth-largest economy. *(Reuters)*

Americas

- [Exclusive: U.S. sees no material impact from virus on U.S.-China trade deal - for now](#) U.S. Treasury Secretary Steven Mnuchin told Reuters he does not expect the coronavirus outbreak to have a material impact on the Phase 1 U.S.-China trade deal, although that could change as more data becomes available in coming weeks. *(Reuters)*
- [Trump says U.S. keen to boost defense equipment sales to India](#) U.S. President Donald Trump vowed on Monday to boost trade ties between the United States and India, and said the United States was prepared to supply India with defense equipment ranging from drones to helicopters and missile systems. *(Reuters)*

Europe

- [EU-UK trade talks could start next week: diplomat](#) The 27 European Union countries expect to adopt on Tuesday their negotiating mandate for talks about their new relationship with Britain after Brexit, paving the way to launching the talks as early as next week, a senior EU diplomat said on Monday. *(Reuters)*
- [Boris Johnson set to begin trade talks with U.S. in two weeks - Telegraph](#) British Prime Minister Boris Johnson is prepared to begin trade talks with the United States within the coming two weeks, the Telegraph reported on Sunday. Johnson is expected to meet U.S. President Donald Trump in June. *(Reuters)*



25 February 2020

List of Oversold Stocks (14-Day RSI<30-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
WESTPORTS HOLDINGS BHD	3.450	18.90	12.70	1.94	3.450
ICAPITAL.BIZ BERHAD	2.190	24.10	17.56	1.98	2.190
FIMA CORP BHD	1.610	25.65	18.92	7.85	1.600
MANULIFE HOLDINGS BHD	2.310	26.81	14.85	0.55	2.310
POS MALAYSIA BERHAD	1.320	26.87	18.02	1.44	1.310
HONG LEONG BANK BERHAD	15.060	27.68	25.76	16.72	14.960
PHARMANIAGA BERHAD	1.830	29.13	22.20	5.83	1.800
GD EXPRESS CARRIER BHD	0.230	29.67	22.54	3.84	0.220
KERJAYA PROSPEK GROUP BHD	1.220	29.67	22.47	10.55	1.210

*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
DKSH HOLDINGS MALAYSIA BHD	2.900	76.53	82.31	91.66	2.990
FOCUS DYNAMICS GROUP BHD	0.760	76.30	81.14	94.47	0.760
DUFU TECHNOLOGY CORP BHD	4.780	71.16	70.40	64.09	5.000

*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
GAMUDA BHD-C72	0.010	19.75	20.05	9.03	0.010	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
MI TECHNOVATI-CG	0.280	90.48	93.62	99.21	0.310	30/11/2020

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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