

# Market Pulse

Monday, 14 Oct, 2019

**M+Online**  
Equipping Traders For The Win

Malacca Securities Sdn Bhd  
(A Participating Organisation of Bursa Malaysia Securities Berhad)  
Hotline: 1300 22 1233  
Email: support@mplusonline.com.my  
Website: www.mplusonline.com.my

## FBM KLCI – Daily



## Market Scorecard

	Close 11-Oct-19	Change %
FBM KLCI	1,556.84	0.32
52-W High	1,742.80	
52-W Low	1,548.45	
FBM EMAS	11,077.81	0.52
FBM 100	10,895.44	0.49
FBM Fledgling	14,171.08	0.32
FBM Small Cap	13,311.92	1.05
FBM ACE	4,619.13	0.79
FBM Shariah	11,716.37	0.64
FBM MidS Cap	14,410.47	1.17
FBM MidS (Shariah)	13,703.91	1.04
Market Participation		
Trading Volume (mln)	2,287.4	4.8
Trading Value (RM mln)	1602.1	5.2
FKLI Spot Futures	1,558.00	0.45
FKLI Forward Futures	1,558.50	0.48

## More Gains Ahead As Trade Dispute Thaws

- The FBM KLCI finished 0.3% higher at Friday's closing bell on hopes for increased government support and incentives in the upcoming Malaysian budget. On a weekly basis, the key-index fell marginally, after extending its losing streak for the fourth-straight week amid ongoing foreign outflows. All the lower liners – the FBM Small Cap (+1.1%), the FBM Fledgling (+0.3%) and FBM ACE (+0.8%) rallied, together with majority of the broader market constituents.
- Market breadth turned positive as gainers overturned the losers on a ratio of 539-to-308 stocks, while traded volumes grew 4.8% to 2.29 bln shares as investors monitor the ongoing developments from Malaysia's Budget 2020.
- MISC (+24.0 sen), Tenaga Nasional (+22.0 sen), Malaysia Airports (+16.0 sen), Hong Leong Bank (+10.0 sen) and

Digi (+5.0 sen) outperformed its benchmark peers, alongside others gainers like Aeon Credit (+38.0 sen), Guan Chong (+29.0 sen), Hong Leong Industries (+22.0 sen), Heineken Malaysia (+18.0 sen) and Telekom Malaysia (+18.0 sen).

- On the losers' list, Ajinomoto (-26.0 sen), Shangri-La Hotels (-15.0 sen), Carlsberg (-12.0 sen), Sungei Bagan Rubber (-10.0 sen) and Tien Wah Press (-7.0 sen) retreated. Blue-chip decliners, meanwhile, were Nestle (-70.0 sen), Public Bank (-10.0 sen), Maxis (-6.0 sen), Petronas Dagangan (-6.0 sen) and Kuala Lumpur Kepong (-4.0 sen).
- Significant regional stockmarkets like the Nikkei (+1.2%) and the Shanghai Composite (+0.9%) ended the week mostly higher as investors cheered the positive outcome from the initial trade discussions between Washington and

Dow Jones	26,816.59	1.21
S&P 500	2,970.27	1.09
NASDAQ	8,057.04	1.34
FTSE 100	7,247.08	0.84
DAX	12,511.65	2.86
CAC 40	5,665.48	1.73
FTSE STI	3,113.97	0.79
Shanghai Composite	2,973.66	0.88
Hang Seng Index	26,308.44	2.34
Nikkei 225	21,798.87	1.15
WTI Crude Oil (USD)	54.73	0.05
Brent Spot (USD)	60.52	0.02
Gold (USD)	1,484.70	-0.29
CPO (RM)	2,185.00	-0.73
USD	4.19	0.07
GBP	5.23	-1.99
EURO	4.6098	0.23
SGD	3.0468	-0.13
YEN	25.7920	-0.71

### Disclaimer

This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.

Beijing on Thursday. The Hang Seng index (+2.3%) also outperformed regional indices on hopes of political de-escalation amid ongoing public demonstrations and vandalism, alongside major ASEAN equities.

- Wall Street rallied as investors were taken a breather from rising trade risks following a partial U.S.-China trade deal, which will see Washington suspend its upcoming tariff hike on China, in exchange for increased purchase of farm goods by the latter. The Dow rose 1.2% at the closing bell despite coming off intraday day, while the tech-heavy indices like the S&P 500 (+1.1%) and the Nasdaq (+1.3%) jumped on gains in Apple and semiconductor-related shares.
- Major European markets were positive on Friday, boosted by hopes of a potential Brexit agreement by end-October. The FTSE closed up by 0.8%, albeit gains were capped by losses in export shares, in tandem with the weakness in Pound. The DAX jumped 2.9%, on the back of strong gains in SAP, following the release of strong quarterly corporate earnings, alongside the CAC (+1.7%).

## THE DAY AHEAD

- We think that there will be more immediate upsides among Malaysian equities at the start of the week amid the progress in the U.S-China trade dispute that will also improve the near term market sentiments. Although the Budget announcement was seen as largely neutral for corporates, there were no unwanted surprises that would also help to provide some measure of stability to equities, in our view.
- The near term upsides will help to the key index to extricate from its bout of oversold and fortify its position above the

1,550 support as the more positive market undertone could prompt fresh bargain hunting activities, albeit we still think that the buying could just be moderate for now as there is lingering tentativeness. On the upside, we see the key index possibly heading back to the 1,560-1,565 levels, before targeting the 1,572 level. The other support, meanwhile, is at 1,548 level.

- We also expect the broader market shares and the lower liners to also firm-up further with the improved market sentiments that could prompt further near term trading activities. Already, the FBM Small Cap index has perked up which we see continuing over the near term. We also think that technology stocks will also make further headway as technology and construction stocks are seen as the major beneficiaries of Budget 2020.

## COMPANY BRIEF

- **Scomi Energy Services Bhd** has proposed to reduce its issued share capital by RM560.0 mln, followed by the consolidation of every five existing shares into one unit. The proposals are intended to rationalise the financial position and share capital of the company by reducing its accumulated losses and the number of shares issued. The proposals are expected to be completed by 1Q2020. (The Sun Daily)
- **Kim Teck Cheong Consolidated Bhd** (KTC) unit has been appointed to distribute Abbot Laboratories (M) Sdn Bhd's nutrition products in Sarawak. The appointment is for a period of 26 months from 1st November 2019 to 31st December 2021 and may be continued after the expiry, subject to a review by Abbot's management. (The Edge Daily)

### **Disclaimer**

*This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.*

- **Anzo Holdings Bhd** has been declared an affected listed issuer as the company has an insignificant business or operations, where its FY19 revenue represented 5.0% or less than its share capital. The loss-making contractor and timber service provider had submitted an application to Bursa Securities, seeking for waiver in compliance with rule 8.03A (3) of the Main Market listing requirements. (The Edge Daily)
- **Malaysian Genomics Resource Centre Bhd's** (MGRC) shareholders may receive a special cash dividend of 22.0 sen per share after the group has proposed to monetise its entire clinical pathology services business, held under Mpath Sdn Bhd, to Gribbles Pathology (Malaysia) Sdn Bhd for RM24.0 mln. MPath contributed RM27.5 mln or 99.0% to MGRC's revenue for the financial year ended 30th June 2019 (FY19). It registered a net profit of RM229,000 that year.
- Moving forward, MGRC said it intends to refocus on growing its existing genetic screening services (GSS) and genome sequencing & analysis (GSA) businesses. (The Edge Daily)
- **Leweko Resources Bhd**, which was taken over by Rengit Capital Sdn Bhd, has proposed to diversify its core business to include construction and construction-related activities. Leweko is also seeking shareholders' approval for new recurrent-related party transactions to be entered into.
- The management expects the new construction business to contribute at least 25.0% to net profits. The group is also expecting to be awarded construction jobs of up to RM100.0 mln by the construction arm owned by its major shareholders. It also plans to bid for construction contracts from third parties by leveraging on the business network and track record of the major shareholders. (The Edge Daily)
- Abu Dhabi's Court of Appeal has thrown out Emirates International Energy Services' (EMAS) bid to annul the payment of an arbitration tribunal award of RM46.0 mln to **Sime Darby Bhd's** unit. The arbitration award was issued on 23rd December 2018, followed by a supplementary award on 4th March 2019. (The Edge Daily)

## Disclaimer

*This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.*

Stock	Entitlement Subjects	Description	Ex-Date	Commencement Date	Last Trading Date
MAGNI-TECH INDUSTRIES BHD	Stock Split	2:1	14/10/2019	-	-
MAGNI-TECH INDUSTRIES BHD	Bonus	1:3	14/10/2019	-	-
V.S. INDUSTRY BERHAD	4th Interim	RM0.01	15/10/2019	-	-
DUOPHARMA BIOTECH BHD	Interim	RM0.01	15/10/2019	-	-
AXIATA GROUP BERHAD	Interim	RM0.05	15/10/2019	-	-
SBC CORPORATION BHD	Regular Cash	RM0.01	16/10/2019	-	-
AEON CREDIT SERVICE M BHD	Interim	RM0.22	17/10/2019	-	-
IDEAL UNITED BINTANG INTERNA	Interim	RM0.01	17/10/2019	-	-
CARLSBERG BREWERY MALAYSIA B	2nd Interim	RM0.16	18/10/2019	-	-
LAY HONG BHD	Regular Cash	RM0.01	21/10/2019	-	-
CARING PHARMACY GROUP BHD	Final	RM0.06	21/10/2019	-	-
WCE HOLDINGS BHD	Preferred Right	2:1	23/10/2019	25/10/2019	4/11/2019
ORIENTAL HOLDINGS BERHAD	Interim	RM0.12	24/10/2019	-	-
CHIN WELL HOLDINGS BHD	2nd Interim	RM0.03	24/10/2019	-	-
KECK SENG (MALAYSIA) BHD	Interim	RM0.04	24/10/2019	-	-
YTL CORP BHD	Interim	RM0.04	25/10/2019	-	-
YTL POWER INTERNATIONAL BHD	Interim	RM0.05	25/10/2019	-	-
MB WORLD GROUP BHD	Interim	RM0.05	25/10/2019	-	-

## Disclaimer

This report is prepared exclusively for Malacca Securities Sdn Bhd's (MSSB) clients and is not intended to be distributed to any other party in any form or manner. All information, assumptions, estimates and opinions contained in this report is based on available data and the information is believed to be reliable at the time of writing. MSSB and/or its associated persons does not warrant, represent and/or guarantee the accuracy of any opinions and information herein in any manner whatsoever and no reliance upon the report and/or any parts thereof by anyone shall give rise to any claim whatsoever against MSSB. This report is for information purposes only and shall not be construed as an offer, invitation or solicitation to buy or sell the securities or any related investment or financial instruments mentioned in this report. MSSB and/or its associated persons may from time to time have an interest in the securities mentioned herein.