

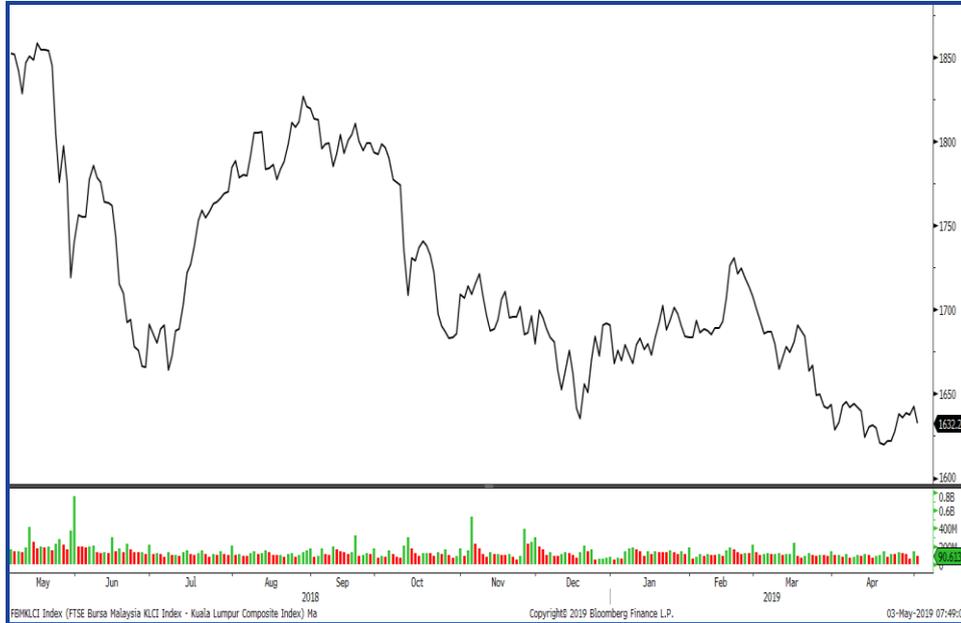
Market Pulse

Friday, 03 May, 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@mplonline.com.my
Website: www.mplonline.com.my

FBM KLCI – Daily



Market Scorecard

	Close 2-May-19	Change %
FBM KLCI	1,632.24	-0.61
52-W High	1,876.62	
52-W Low	1,609.83	
FBM EMAS	11,573.65	-0.68
FBM 100	11,394.94	-0.65
FBM Fledgling	15,551.65	-1.15
FBM Small Cap	13,447.39	-1.28
FBM ACE	4,604.13	-0.83
FBM Shariah	11,725.38	-0.94
Volume (mln)	2,679.26	13.36
Value (RM mln)	1,950.46	-13.17

Market Participation	%	Net (RM mln)
Institution	N/A	N/A
Retail	N/A	N/A
Foreign	N/A	N/A

No Follow Through, More Downside Ahead

- The FBM KLCI lost 0.6% after lingering mostly in the red, dragged down by fresh profit-taking activities and weakness in crude oil prices amid high inventory levels. The lower liners followed suit as the FBM Small Cap (-1.3%), the FBM Fledgling (-1.2%) and the FBM Ace (-0.8%) were beaten down alongside the entire broader market. The only stocks that rose was REIT-related stocks.
- Market breadth was bearish as decliners almost tripled the gainers, while traded volumes rose 13.4% 2.68 bln due to exacerbated selling-pressure in Malaysian equities.
- Petronas-linked companies like Petronas Gas (-18.0 sen) and Petronas Dagangan (-16.0 sen) were among the key-index underperformers, alongside Hong Leong Financial Group (-20.0 sen), Digi (-16.0 sen) and Press Metal (-15.0 sen). United Plantations (-50.0 sen), Panasonic Manufacturing (-22.0 sen), Petron Malaysia (-15.0 sen), Mega First (-14.0 sen) and IJM (-13.0 sen) also retreated.
- In contrast, broader market advancers include BAT (+54.0 sen), Carlsberg (+48.0 sen), Tasek (+18.0 sen) and Malaysian Pacific Industries (+17.0 sen), together with Lafarge Malaysia (+42.0 sen), following a mandatory offer for Lafarge shares by YTL Corp (+5.0 sen). There were only three gainers on Main Board on Thursday's closing bell, mainly Nestle (+20.0 sen), Sime Darby (+3.0 sen) and Hong Leong Bank (+2.0 sen).
- Asian equities finished mostly higher, buoyed by renewed hopes of a U.S.-China trade deal to end the prolonged tariff war which resulted in slowing global growth. Markets in Japan and China remained closed for holidays,

Futures		
FKLI Spot	1,624.50	-0.70
FKLI Forward	1,625.50	-0.73

Foreign		
Dow Jones	26,307.79	-0.46
S&P 500	2,917.52	-0.21
NASDAQ	8,036.77	-0.16
FTSE 100	7,351.31	-0.46
DAX	12,345.42	0.01
CAC 40	5,538.86	-0.85
FTSE STI	3,393.33	-0.20
Shanghai Composite	3,078.34	0.52
Hang Seng Index	29,944.18	0.83
Nikkei 225	22,258.73	-0.22

Commodities		
WTI Crude Oil (USD)	61.68	-0.21
Brent Spot (USD)	70.75	-1.98
Gold (USD)	1,270.76	0.01
CPO (RM)	2,032.00	-3.01

Currency		
USD	4.1380	-0.08
GBP	5.4011	-0.02
EURO	4.6369	0.12
SGD	3.0397	0.10
YEN	26.9590	-0.03

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.

while financials and property-linked stocks led the Hang Seng higher. The majority of ASEAN equities, meanwhile, ended mostly in the red.

- Wall Street also extended its losses, with the Dow (-0.5%), the Nasdaq (-0.2%) and the S&P500 (-0.2%) in the red following disappointment arising from hawkish monetary policy stance by the U.S. Federal Reserve.
- Earlier, notable European indices stumbled, following weaker-than-expected manufacturing data from the Eurozone. The DAX outperformed its peers, however, supported by Bayer after the U.S. EPA ruled out the risk of carcinogen in glyphosate, the main ingredient in its weed killer Roundup. The FTSE and the CAC, however, weakened by 0.5% and 0.9% respectively.

THE DAY AHEAD

- Sentiments on Bursa Malaysia turned bearish swiftly once again with the selling returning after a brief respite on Tuesday. This is again leaving the near term outlook on a dour note that is set to prolong the near term market weakness.
- As it is, we thought that stocks on Bursa Malaysia may look to follow through with its Tuesday's gains, but its inability to sustain its upmove shows that the market undertone is still weak and sentiments are still on the cautious side.
- With global equities also retreating, the near term outlook continues to look frail and Malaysian stocks are set to retreat further. The key index could now head towards the 1,630 level, before retracing back to the 1,620 level. The resistances are at 1,637 and 1,640 respectively.
- The lower liners and broader market

shares has been undergoing a consolidation spell over the past few sessions that shows no signs of abating as yet. Sentiments on these stocks have also taken a hit and this has prompted increased profit taking activities that look to linger over the near term.

- Therefore, we see further downsides on the lower liners and broader market shares, albeit we think that this is healthy to allow some of the stocks to take a breather from their steep upsides recently.

COMPANY BRIEF

- **YTL Corp Bhd** is making a mandatory offer (MO) for the remaining shares in **Lafarge Malaysia Bhd** following its acquisition of a 51% stake in the cement maker from Switzerland-based parent company, LafargeHolcim. This came after YTL Cement Bhd has agreed to buy LafargeHolcim's entire stake in its Malaysian unit for RM1.63 bln, or RM3.75 a share. YTL Corp intends to keep Lafarge Malaysia as a listed company, unless it receives more than 90.0% acceptances. (The Star Online)
- **Sunway Real Estate Investment Trust's** (REIT) 3QFY19 net property income rose 8.0% Y.o.Y to RM113.8 mln, on higher contribution from its retail, hotel, office and services segments. Revenue, for the quarter, however, rose 7.1% Y.o.Y to RM RM151.5 mln.
- For 9MFY19, cumulative net property income rose 2.8% Y.o.Y to RM325.8 mln. Revenue for the period added 2.5% Y.o.Y to RM434.7 mln. A distribution per unit of 2.58 sen for the quarter, payable on 30th May 2019, was declared. (The Star Online)
- **Matrix Concepts Holdings Bhd** has

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.

- entered into a joint venture agreement with Koperasi Kemajuan Tanah Negeri Johor Bhd (KopKeta) to develop mixed development projects in Kluang, Johor. The cooperative owns 407.6 ac. of land in Kluang, Johor.
- Under the agreement, Matrix Concepts and KopKeta will carry out mixed development projects on part of the land measuring 309.5 ac. The company estimated the gross development value of the project at RM1.2 bln and the funding of the construction works will be borne by Matrix Concepts. (The Star Online)
 - **Destini Bhd** has set up a joint venture company to bid for rail related projects. Under the deal, Destini will partner with railway contractor Lion Pacific Sdn Bhd and SVPR Consulting Services Sdn Bhd. Destini will take a 40.0% stake in the JV company. (The Star Online)
 - **GHL Systems Bhd** is adding GrabPay's payment channel to its existing credit and debit cards schemes, local e-Wallets, as well as crossborder e-Wallets for its merchant base in Malaysia. GHL has enabled GrabPay at its merchant payment touch-points to accept Grab's mobile QR payment. Through this tie-up, Grab will have a quicker access to GHL's 70,000 transaction payment acquisition merchant payment touch-points throughout Malaysia. (The Edge Daily)
 - **YFG Bhd's** engineering unit has terminated a RM127.0 mln contract for the proposed construction of over 600 units of PR1MA homes along with 74 units of shoplots in Kuantan, Pahang. The termination was due to project funding issue on the developer's part.
 - The notice of termination was served to the developer, Seri Ceka Sdn Bhd as the required contract was not formalised within the stipulated three-month time period due to project funding issues on the developer's part. (The Edge Daily)
 - **Pasdec Holdings Bhd** has failed to submit its 2018 annual report for public release within the deadline of 30th April 2019, which could see Bursa Malaysia suspending trading of the company's shares if it does not submit the report by 8th May 2019. (The Edge Daily)
 - **KUB Malaysia Bhd** joint development agreement (JDA) with Mabanafat Pte Ltd to develop, own and operate a refrigerated liquefied petroleum gas (LPG) terminal at Westports in Port Klang, Selangor, has lapsed with no extension agreed.
 - In October 2018, KUB Malaysia announced that it has, together with its subsidiary, KUB Gaz Sdn Bhd signed the JDA with Singapore-based Mabanafat, which is an affiliate of Germany-based energy player Marquard & Bahls Group. This followed the Memorandum of Understanding which was inked in May 2017. (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.