

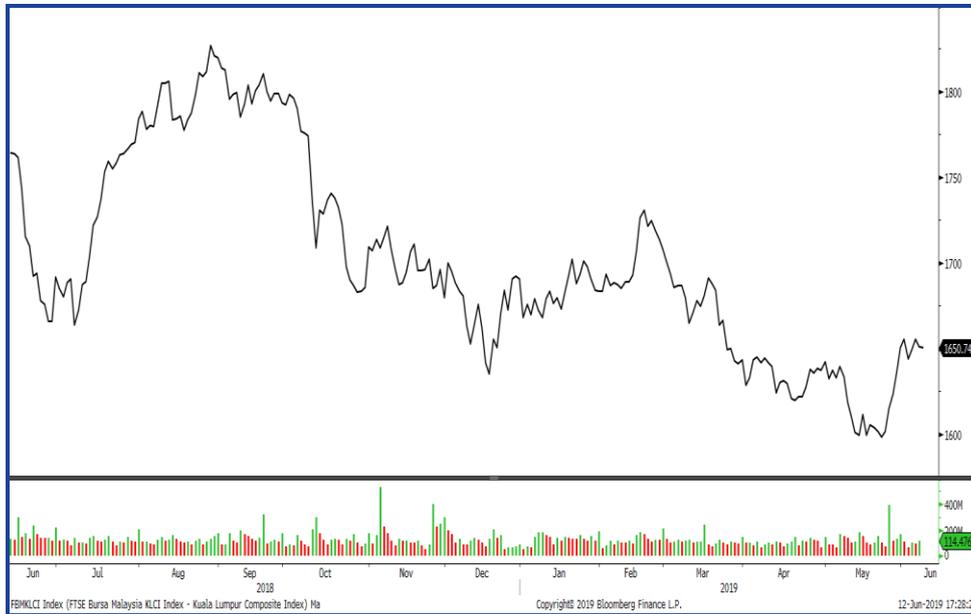
Market Pulse

Thursday, 13 Jun, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 12-Jun-19	Change %
FBM KLCI	1,650.74	-0.03
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,630.91	0.01
FBM 100	11,481.16	0.02
FBM Fledgling	14,811.71	-0.09
FBM Small Cap	12,846.76	-0.12
FBM ACE	4,448.95	1.02
FBM Shariah	11,845.07	0.04
Volume (mln)	1,755.18	-21.81
Value (RM mln)	1,604.60	-20.81

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

Awaiting New Leads

- The FBM KLCI (-0.03%) extended its losses in tandem with the weakness across its regional peers after lingering in the negative territory for the entire trading session. The lower liners also closed mostly lower as the FBM Small Cap and FBM Fledgling fell 0.1% each. The broader market ended mostly negative with the energy sector (-0.7%) taking the heaviest beating after crude oil prices slumped.
- Market breadth stayed negative as decliners outpaced advancers on a ratio of 446-to-317 stocks. Traded volumes shrank 21.8% to 1.76 bln shares amid the negative market sentiment.
- Petronas Gas (-12.0 sen), topped the big board decliners list, followed by Nestle (-10.0 sen), Petronas Dagangan (-10.0 sen), RHB Bank (-8.0 sen) and Hartalega (-6.0 sen). Notable decliners on the broader market include United Plantations (-50.0 sen), Heineken (-30.0 sen), Bintulu Port (-16.0 sen), Oriental Holdings (-12.0 sen) and Boustead Heavy Industries (-11.0 sen).
- Meanwhile, BAT (+30.0 sen), Ajinomoto (+28.0 sen), Chin Teck Plantations (+22.0 sen), MPI (+15.0 sen) and QL Resources (+15.0 sen) topped the broader market gainers list. Key winners on the local bourse were IHH (+8.0 sen), Genting (+7.0 sen), Tanaga (+6.0 sen), MISC (+4.0 sen) and Genting Malaysia (+2.0 sen).
- Asia benchmark indices ended lower on concerns over the on-going trade standoff between U.S. and China. Both the Nikkei and Shanghai Composite fell 0.6% and 0.4% respectively. The Hang Seng Index sank 1.7% on political uncertainties after protesters swarmed the streets in opposition to a possible new extradition law. ASEAN

Futures

FKLI Spot	1,652.50	0.24
FKLI Forward	1,654.00	0.33

Foreign

Dow Jones	26,004.83	-0.17
S&P 500	2,879.84	-0.20
NASDAQ	7,792.72	-0.38
FTSE 100	7,367.62	-0.42
DAX	12,115.68	-0.33
CAC 40	5,374.92	-0.62
FTSE STI	3,207.74	-0.06
Shanghai Composite	2,909.38	-0.56
Hang Seng Index	27,308.46	-1.73
Nikkei 225	21,129.72	-0.35

Commodities

WTI Crude Oil (USD)	51.15	0.02
Brent Spot (USD)	59.97	-3.72
Gold (USD)	1,332.93	-0.05
CPO (RM)	1,968.00	-1.94

Currency

USD	4.1585	0.11
GBP	5.3010	-0.16
EURO	4.7147	-0.07
SGD	3.0494	0.05
YEN	26.0220	0.27

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stockmarkets, meanwhile, closed mostly lower yesterday.

- U.S. stockmarkets extended their losses after hovering mostly in the negative territory as the Dow fell 0.2% on the on-going concerns over the Sino-U.S. trade dispute. On the broader market, the S&P 500 slipped 0.2%, dragged down by the energy sector (-1.4%) after crude oil price tumbled to four-month low, while the Nasdaq declined 0.4%.
- Earlier, European benchmark indices – the FTSE (-0.4%), CAC (-0.6%) and DAX (-0.3%) all ended in the red, mirroring the weakness across global stockmarkets. Meanwhile, the main opposition Labour party in U.K. announced plans to introduce parliamentary legislation to block the country exiting the European Union without a deal in place.

THE DAY AHEAD

- We see the continuing uncertainties over the U.S-China trade spat leaving sentiments on Malaysian stocks on the cautious side, which may linger into the upcoming G20 summit later in the month as the U.S. President ramps up his tariff rhetoric.
- Domestically, there are also few leads following the completion of the recent corporate earnings reporting season that saw the continuing mixed performance, albeit more companies reporting improved earnings. At the same time, the market's gain over the past month has largely reflected the improved earnings outlook and this is leaving little room for significant near term upsides, in our view.
- Therefore, we think the indifferent trend may persist in view of the lack of new leads and this could see the FBM KLCI linger within a narrow range between the

1,645 and 1,660 levels for now.

- The lower liners and broader market shares are also seeing a mixed performance after their respective recovery in the past few sessions. There are also fewer leads and with coupled with few compelling buys, we think that a mixed trend could prevail for now.

COMPANY BRIEF

- **DRB-Hicom Bhd's** 50.1%-owned unit, Proton Holdings Bhd has inked a joint-venture (JV) agreement with Altel Communications and ECarX (Hubei) Technology Co Ltd, China to set up a company to develop more indigenous digital technology and car connectivity systems.
- Separately Proton announced that its RM1.2 bln assembly plant's commissioning is drawing near and production trial runs have begun for the X70. (The Edge Daily)
- ACE Market-listed furniture maker, **Wegmans Holdings Bhd** is planning to transfer to Bursa Malaysia's Main Market after meeting the bourse's criteria such as profit track record, public shareholding spread, healthy financial position and liquidity. The transfer is expected to be completed in the 4Q2019, (The Edge Daily)
- **UEM Group Bhd** has denied allegations of transferring US\$741,440 (RM3.1 mln) to a Cabinet Minister and senior PKR leader. Subsequently, UEM has lodged a police report on the matter. This comes after allegations that the group had transferred the money to Economic Affairs Minister Datuk Seri Azmin Ali's alleged Deutsche Bank account in December 2017. (The Edge Daily)

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- **Bermaz Auto Bhd's** (BAuto) 4QFY19 net profit rose to RM60.1 mln (+5.1% Y.o.Y), from RM57.2 mln last year on the back of lower operating overheads. Quarterly revenue, however, fell 5.7% Y.o.Y to RM538.3 mln, from RM570.6 mln following lower vehicle sale volume in Malaysia and the Philippines.
- The group's full-year net profit, meanwhile, jumped 89.5% Y.o.Y to RM265.3 mln compared to RM140.0 mln in FY18, while revenue gained 25.1% Y.o.Y to RM2.49 bln, from RM1.99 bln. Subsequently, the group declared a fourth interim dividend of 3.5 sen and a special dividend of 7.0 sen – payable on 25th July, 2019. Total dividends declared in FY19 amounted to 21.25 sen, from 10.4 sen last year – the highest level seen since listing. (The Star Online)
- The Inland Revenue Board (LHDN) has accepted a voluntary declaration by **Seacera Group Bhd's** unit to settle overdue tax for the tax years 2009 and 2012 amounting to RM22.2 mln.
- The unit, Duta Skyline Sdn Bhd had received a letter dated 31st May 2019 from the tax authorities stating the declaration was made without the written approvals of Duta Skyline and Duta Nilai Holdings Sdn Bhd. According to the group, the tax bill is the result of Seacera's acquisition of Duta Nilai Holdings on 16th November, 2016. (The Star Online)

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