

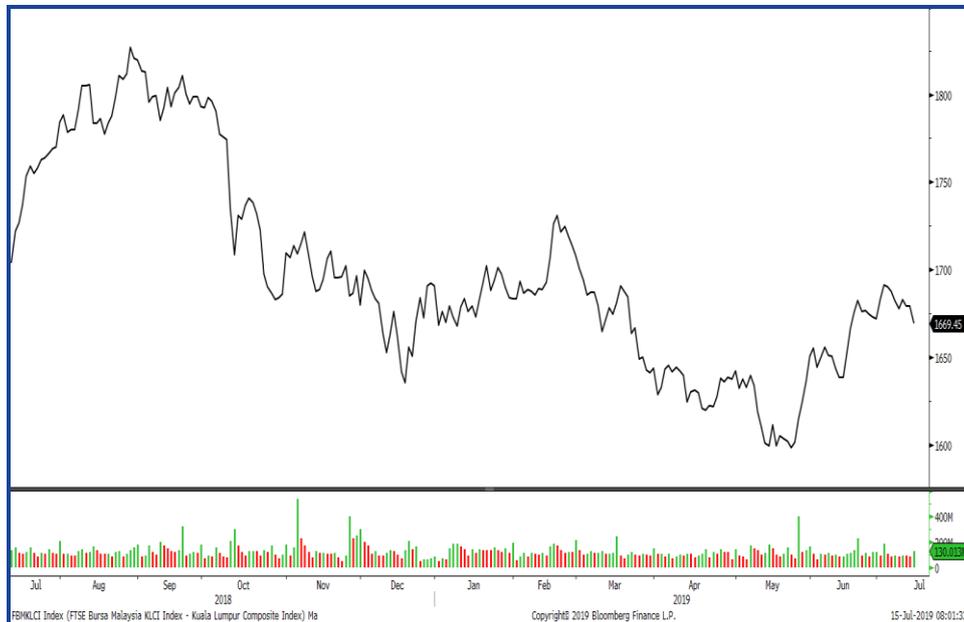
Market Pulse

Monday, 15 Jul, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 12-Jul-19	Change %
FBM KLCI	1,669.45	-0.58
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,844.25	-0.41
FBM 100	11,669.51	-0.43
FBM Fledgling	14,893.11	0.20
FBM Small Cap	13,702.77	-0.03
FBM ACE	4,650.13	-0.36
FBM Shariah	12,241.92	-0.31
Volume (mln)	2,935.21	-7.73
Value (RM mln)	2,282.38	3.20

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

A Quick Recovery Seen

- The FBM KLCI slid into the red, weighed down by the weakness in selected banking heavyweights despite the positive sentiment in offshore markets. The majority of the lower liners also retreated, with the exception of the FBM Fledgling (+0.2%), while seven-of-twelve sectors in broader market were also in the red.
- Market breadth was negative as losers edged the winners on a ratio of 453-to-401 stocks, while 412 stocks traded unchanged. Traded volumes fell 7.7% to 2.94 bln shares amid the profit-taking activities.
- Significant Main Board decliners were Nestle (-90.0 sen), Hong Leong Bank (-38.0 sen), CIMB (-14.0 sen), Maxis (-12.0 sen) and Petronas Dagangan (-10.0 sen). Other underperforming stocks, meanwhile, include Malaysian Pacific Industries (-16.0 sen), BAT (-10.0 sen), Telekom Malaysia (-10.0 sen), United Plantations (-10.0 sen), Kind (-7.0 sen) and KLCC (-7.0 sen).
- On the opposite side of the trade, BLD Plantations (+32.0 sen) led the broader market gainers, alongside Panasonic Manufacturing (+28.0 sen), Magni-Tech Industries (+14.0 sen), Atlan (+12.0 sen) and Magna Prima (+9.0 sen), following news of its collaboration with PowerChina Construction Group Ltd for local EPCC tenders. Meanwhile, the only three key-index gainers were Kuala Lumpur Kepong (+8.0 sen), Petronas Chemicals (+2.0 sen) and MISC (+1.0 sen).
- Key regional stockmarkets ended mostly higher, following the strong rally on Wall Street on expectations of lower interest rates. The Nikkei closed higher, although gains were capped by losses in machinery-related heavyweights ahead

Futures		
FKLI Spot	1,668.00	-0.89
FKLI Forward	1,668.50	-0.86

Foreign		
Dow Jones	27,332.03	0.90
S&P 500	3,013.77	0.46
NASDAQ	8,244.15	0.59
FTSE 100	7,505.97	-0.05
DAX	12,323.32	-0.07
CAC 40	5,572.86	0.38
FTSE STI	3,357.34	0.21
Shanghai Composite	2,930.55	0.44
Hang Seng Index	28,471.62	0.14
Nikkei 225	21,685.90	0.20

Commodities		
WTI Crude Oil (USD)	60.11	-0.17
Brent Spot (USD)	66.63	-0.13
Gold (USD)	1,416.05	0.02
CPO (RM)	1,944.00	0.15

Currency		
USD	4.1130	0.05
GBP	5.1702	-0.26
EURO	4.6358	-0.11
SGD	3.0284	-0.04
YEN	26.2190	0.50

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of a public holiday on Monday. Similarly, the Hang Seng Index (+0.1%) and the Shanghai Composite (+0.4%) also advanced, albeit the majority of the ASEAN stockmarkets finished mostly lower.

- Wall Street - the Dow (+0.9%), the S&P 500 (+0.5%) and the Nasdaq (+0.6%) all hit fresh record highs on expectations of lower borrowing rates ahead of the second quarter earnings reporting season.
- However, key European benchmark indices continued their losing streak, albeit marginally, as investors digested another bout of profit warning from German car manufacturer, Daimler. The FTSE (-0.1%) slipped in the eleventh hour, weighed down by healthcare and energy stocks, alongside the DAX (-0.1%). The CAC, however, bucked the downtrend in its peers and closed 0.4% higher last Friday.

THE DAY AHEAD

- Friday's pullback was already on the cards amid the toppish conditions that has lingered after the key index made a near 7.0% gain over a six-week span. Although the technical indicators are still on the retreat, there could be some bouts of bargain hunting activities over the near term in tandem with the strong gains on Wall Street at the end of last week.
- As it is, global markets are still buoyed by expectations of a U.S. interest rate cut as a pre-emptive move against the slowing economy and this could also allow stocks on Bursa Malaysia to stage a near term turnaround, although we think that the rebound may still be tentative for now amid the lingering overbought conditions. The near term recovery could send the key index to the 1,676 level, before

making a pass at the 1,680 level. The supports, meanwhile, are at the 1,660 and 1,657 levels respectively.

- By and large, the lower liners and broader market shares are still holding firm, sustaining the FBM KLCI's overbought streak. While we still see a consolidation among the lower liners amid their overbought conditions, the extended overbought streak looks to continue for now with rotational interest set to continue providing the impetus.

COMPANY BRIEF

- **Digi.com Bhd's** 2Q2019 net profit rose 2.1% Y.o.Y to RM392.5 mln on higher postpaid and internet revenue. Revenue for the quarter, however, fell 4.3% Y.o.Y to RM1.55 bln.
- For 1H2019, cumulative net profit declined 4.7% Y.o.Y to RM734.0 mln. Revenue for the period fell 6.0% Y.o.Y to RM3.06 bln. An interim dividend of five sen per share was declared. (The Star Online)
- **Rev Asia Bhd** has inked a term sheet to buy a 60.0% stake in Orissa Wicomm Pte Ltd, a telecommunication and industrial sector integrated solutions provider, for up to RM12.4 mln. The announcement came concurrently with Rev Asia's decision not to extend an initial Memorandum of Understanding with Catcha Group Pte Ltd to acquire a foreign company with foreign operations.
- Rev Asia intends to pay RM4.0 mln cash and RM2.0 mln worth of new Rev Asia shares for the acquisition. The balance RM6.4 mln may be satisfied in two tranches of RM3.2 mln each, via cash or further new shares in Rev Asia. (The Edge Daily)

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- An international tribunal has sided with Dongfang Electric Corp in a US\$1.2 mln suit filed by the company against **Zelan Bhd**. In total, Zelan will have to fork out RM5.7 mln in respect of the Dongfang arbitration. The notice of arbitration arose in respect of disputes and differences arising from a 2014 agreement between wholly-owned subsidiary, Zelan Holdings (M) Sdn Bhd and Dongfang. (The Edge Daily)
- **Daya Materials Bhd** has defaulted on another payment to **AmBank (M) Bhd** amounting to RM418,796, bringing its total debt owing to the bank to RM1.5 mln. Previously, Daya Materials had defaulted on two other payments to AmBank, one amounting to RM835,483 on 5th July 2019, and another amounting to RM277,638, which was due on 27th June 2019.
- The failure to pay for the banking facilities was due to its subsidiary, Daya CMT Sdn Bhd's cash flow constraints. (The Edge Daily)
- **JayCorp Bhd** is partnering Hongkong-based Honsoar International Ltd (HIL) to manufacture and sell kitchen cabinets and bathroom vanity cabinets. JayCorp will have a 60.0% equity interest in Honsoar Cabinetry, the JV company, with HIL holding the remaining 40.0%. The joint venture is anticipated to commence business by 3Q2020. (The Edge Daily)

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Stock	Entitlement Subjects	Description	Ex-Date	Commencement Date	Last Trading Date
V.S. INDUSTRY BERHAD	Interim	RM0.01	15/7/2019	-	-
SCIENTEX BHD	Interim	RM0.10	15/7/2019	-	-
KHEE SAN BHD	Interim	RM0.01	15/7/2019	-	-
CAN-ONE BHD	Regular Cash	RM0.04	15/7/2019	-	-
NOVA PHARMA SOLUTIONS BHD	Final	RM0.00	15/7/2019	-	-
MUHIBBAH ENGINEERING (M) BHD	Regular Cash	RM0.08	16/7/2019	-	-
FAVELLE FAVCO BHD	Regular Cash	RM0.14	16/7/2019	-	-
BATU KAWAN BHD	Interim	RM0.15	16/7/2019	-	-
ATRIUM REAL ESTATE INVESTMEN	Distribution	RM0.02	17/7/2019	-	-
CARLSBERG BREWERY MALAYSIA B	Interim	RM0.22	17/7/2019	-	-
MITRAJAYA HOLDINGS BHD	Regular Cash	RM0.02	17/7/2019	-	-
BERJAYA SPORTS TOTO BHD	4th Interim	RM0.05	18/7/2019	-	-
GAMUDA BHD	2nd Interim	RM0.06	18/7/2019	-	-
BINTULU PORT HOLDINGS BHD	1st Interim	RM0.04	18/7/2019	-	-
SAMCHEM HOLDINGS BHD	Interim	RM0.01	19/7/2019	-	-
T7 GLOBAL BHD	Interim	RM0.01	22/7/2019	-	-
EWEIN BHD	Regular Cash	RM0.01	22/7/2019	-	-
MAA GROUP BHD	2nd Interim	RM0.06	23/7/2019	-	-
PARAMOUNT CORP BHD	Bonus	2:5	24/7/2019	-	-
RANHILL HOLDINGS BHD	Interim	RM0.01	24/7/2019	-	-
CHUAN HUAT RESOURCES BHD	Final	RM0.01	24/7/2019	-	-
HIL INDUSTRIES BERHAD	Regular Cash	RM0.02	24/7/2019	-	-
ADVANCE SYNERGY BHD	Regular Cash	RM0.00	25/7/2019	-	-
MY EG SERVICES BHD	1st Interim	RM0.01	25/7/2019	-	-
SAPURA INDUSTRIAL BHD	Final	RM0.03	25/7/2019	-	-
INNOPRISE PLANTATIONS BHD	Regular Cash	RM0.01	25/7/2019	-	-
UNITED MALACCA BHD	Interim	RM0.06	26/7/2019	-	-
PACIFIC & ORIENT BERHAD	4th Interim	RM0.01	26/7/2019	-	-
JKG LAND BHD	Final	RM0.00	26/7/2019	-	-
RGB INTERNATIONAL BHD	Regular Cash	RM0.01	29/7/2019	-	-
AIRASIA GROUP BHD	Special Cash	RM0.90	29/7/2019	-	-
FOCUS LUMBER BHD	2nd Interim	RM0.01	29/7/2019	-	-
MALAYSIAN RESOURCES CORP BHD	Final	RM0.02	29/7/2019	-	-
TALIWORKS CORP BHD	Interim	RM0.01	29/7/2019	-	-
POH HUAT RESOURCES HLDGS BHD	1st Interim	RM0.02	29/7/2019	-	-
ATLAN HOLDINGS BERHAD	1st Interim	RM0.05	29/7/2019	-	-
DKLS INDUSTRIES BERHAD	Regular Cash	RM0.03	29/7/2019	-	-

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