

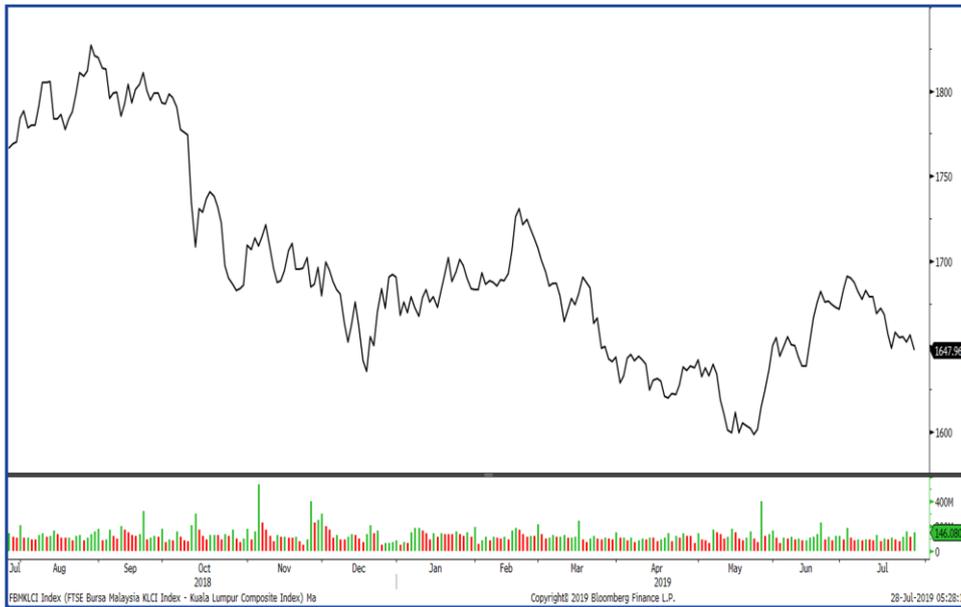
# Market Pulse

Wednesday, 31 Jul, 2019

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

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## FBM KLCI – Daily



## Market Scorecard

	Close 30-Jul-19	Change %
FBM KLCI	1,642.69	-0.32
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,659.09	-0.34
FBM 100	11,481.15	-0.33
FBM Fledgling	14,938.69	-0.15
FBM Small Cap	13,646.06	-0.38
FBM ACE	4,734.90	-0.63
FBM Shariah	12,051.98	-0.07
Volume (mln)	2,644.86	3.39
Value (RM mln)	1,723.55	-15.98

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

### Futures

FKLI Spot	1,641.50	-0.55
FKLI Forward	1,638.50	-0.58

### Foreign

Dow Jones	27,198.02	-0.09
S&P 500	3,013.18	-0.26
NASDAQ	8,273.61	-0.24
FTSE 100	7,646.77	-0.52
DAX	12,147.24	-2.18
CAC 40	5,511.07	-1.61
FTSE STI	3,350.54	0.12
Shanghai Composite	2,952.34	0.39
Hang Seng Index	28,146.50	0.14
Nikkei 225	21,709.31	0.43

### Commodities

WTI Crude Oil (USD)	58.18	0.22
Brent Spot (USD)	64.72	1.59
Gold (USD)	1,431.05	0.01
CPO (RM)	2,061.00	-0.29

### Currency

USD	4.1270	-0.18
GBP	5.0232	1.23
EURO	4.6003	-0.24
SGD	3.0123	-0.14
YEN	26.3120	0.09

## More Of The Same

- The FBM KLCI started off the week on a dour note as the key index trended mostly in the negative territory before closing 0.3% lower on Monday. The lower liners – the FBM Small Cap (-0.4%), FBM Fledgling (-0.2%) and FBM ACE (-0.6%) all also extended their losses, while the broader market finished mostly in the red, led by the Consumer Products & Services sector (-1.5%).
- Market breadth stayed negative as losers outmuscled winners on a ratio of 2-to-1 stocks, while 400 stocks traded unchanged. Traded volumes, however, rose 3.4% to 2.64 bln as selling activities intensified.
- Half of the key index constituents fell, dragged down by banking heavyweights like Public Bank (-22.0 sen), RHB Bank (-21.0 sen) and Hong Leong Financial Group (-10.0 sen), while Genting and Malaysia Airport Holdings shed 11.0 sen and 10.0 sen respectively. BAT (-RM2.38) took another beating to close at its lowest level since May 2018, while other notable decliners on the broader market were Heineken (-24.0 sen), Syarikat Takaful (-24.0 sen), BIMB (-16.0 sen) and Manulife (-15.0 sen).
- On the flipside, Ajinomoto (+24.0 sen), MSM (+22.0 sen), Atlan Holdings (+18.0 sen), Fraser & Neave (+12.0 sen) and PMB Technology (+10.0 sen) advanced on the broader market. On the local bourse, Nestle (+80.0 sen), Hong Leong Bank (+6.0 sen), KLK (+6.0 sen), Hap Seng (+5.0 sen) and IHH (+5.0 sen) advanced.
- Asian benchmark indices rebounded as the Nikkei added 0.4% after the Bank of Japan kept its benchmark interest rates unchanged. The Hang Seng Index gained 0.1%, while The Shanghai

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Composite rose 0.4%. ASEAN stockmarkets, meanwhile, closed mostly higher on Tuesday.

- U.S. stockmarkets retreated overnight as the Dow fell 0.1% on a mixed bag of corporate earnings coupled with the on – going Sino-U.S. trade uncertainty. On the broader market, the S&P 500 declined 0.3%, while the Nasdaq finished 0.2% lower.
- Earlier, European benchmark indices – the FTSE (-0.5%), CAC (-1.6%) and DAX (-2.1%) all sank as concerns over U.K. leaving the European Union without a deal escalated, coupled with the fresh uncertainty over the U.S.-China trade negotiation.

## THE DAY AHEAD

- The consolidation trend on Bursa Malaysia is continuing amid the lack of leads, both from local and foreign sources and the near term outlook remains largely unchanged with the downside bias to linger, in our view.
- The fresh trade rhetoric by President Trump is likely to keep sentiments in check again as it appears that the negotiations will remain long-drawn with neither side likely to make significant concessions that will also prolong the stalemate. Back home, there are also few catalyst for market players to follow and the wariness will continue to dampen sentiments. As such, we see further near term weakness with the supports now pegged at the 1,637 level, followed by 1,630 points. The resistances, on the other hand, are at the 1,650 and 1,660 levels respectively.
- The FBM Small Cap index also looks to continue with its consolidation after an extended overbought streak. There are

still few signs of a rebound as yet and we think the pullback is set to continue for the time being.

## COMPANY BRIEF

- **Grand-Flo Bhd** has received an unconditional take-over offer for its remaining shares at 26.0 sen each from YBG Yap Consolidated Sdn Bhd. YBG Yap has already acquired 250.8 mln shares (or 53.3%) equity stake in Grand-Flo from the company's shareholders for RM65.2 mln. Prior to the acquisition, YBG Yap did not own any Grand-Flo shares. (The Star Online)
- **Sime Darby Bhd's** 36.6%-owned joint-venture (JV) company, Weifang Port Services Co Ltd (WPS) was ordered by China's Maritime Court at Qingdao, Shandong Province to pay 711.0 mln yuan (or RM427.0 mln) outstanding sum due to local contractor CCCC Tianjin Dredging Co Ltd. The company was also to pay the cost of 3.6 mln yuan (or RM2.2 mln) and late payment interests. WPS is planning to appeal against the decision.
- The other shareholders of WPS are Weifang Port Group Co Ltd (38.0%) and Shandong Hi-speed Transport & Logistics Investments Co Ltd (25.0%). (The Edge Daily)
- **Tenaga Nasional Bhd's** board has approved its proposed internal reorganisation that divides the group's businesses into power generation and retail electricity. Therefore, the group will divide its power generation businesses into a newly incorporate subsidiary (GenCo) and retail electricity businesses into another new subsidiary (RetailCo). (The Star Online)
- **Luxchem Corp Bhd's** 2Q3019 net profit inched higher by 1.4% Y.o.Y% to RM9.9

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- mln, from RM9.8 mln a year earlier, despite a marginal fall in revenue to RM188.4 mln (-1.0% Y.o.Y), from RM198.9 mln last year.
- Cumulative 1H2019 net profit also eked-out growth of less than 1.0% Y.o.Y to RM19.5 mln compared to RM19.4 mln in the previous corresponding period, while revenue dipped to RM390.8 mln, from RM395.6 mln previously. (The Edge Daily)
  - Credit Suisse Group AG has emerged as **Vsolar Group Bhd**'s major shareholder, with a 5.1% stakeholding in the solar energy specialist after acquiring 8.8 mln shares on 24th July 2019. The shares were acquired in two tranches of 1.2 mln and 7.6 mln units respectively. (The Star Online)
  - **DWL Resources Bhd** (formerly known as Spring Gallery Bhd) has aborted a masterplan for a commercial development on 216,427 sq. m. of lands in Melaka. The group and Titanium Hallmark Sdn Bhd have mutually agreed for the termination and the latter will refund a deposit of RM21.0 mln to DWL within three months. The termination came after relevant assessment and evaluation on the risks and feasibility of each proposal, which concluded that the project could not materialise according to the initial planned timeframe. (The Edge Daily)
  - **Ecobuilt Holdings Bhd** (formerly known as M-Mode Bhd) is disposing three of its subsidiaries to its Founder and former Managing Director (MD) Datuk Lim Thean Keong for RM12.0 mln as it seeks to focus on its core businesses.
  - The proposed disposal will include M-Mode Mobile Sdn Bhd, Mobile Multimedia Sdn Bhd and Tameko Sdn Bhd which are involved in the provision of mobile content and data application services.
  - This comes as the contents and value-added services segment continues to face pressure from the increasing uptake of over-the-top (OTT) applications and more intense competition among existing and new industry participants. Ecobuilt expects a gain on disposal of some RM2.2 mln, which will be used for working capital purposes and to fund its existing and future projects. (The Edge Daily)
  - **Xin Hwa Holdings Bhd** has pledged to improve its internal control and corporate governance practices within the group after the independent investigation done by KPMG Management & Risk Consulting Sdn Bhd in June this year. To recap, the KPMG report and the legal opinion from the solicitors revealed that there are presence of weaknesses in internal control procedures and processes, in addition to a lack of proper and in-depth knowledge of good corporate governance practices. (The Edge Daily)
  - **Xidelang Holdings Ltd** is teaming up with Global Int'l Footwear (Hong Kong) Co Ltd (GIF) again, after their first Memorandum of collaboration lapsed on 22nd May this year. Both parties inked a Memorandum of Strategic Collaboration for the purpose of establishing a new strategic collaboration to achieve mutual growth.
  - Under the contract, Xidelang would receive original design manufacturer and/or original equipment manufacturer production orders from GIF, amounting to at least 400.0 mln yuan (RM239.1 mln) for a period of 24 months. (The Edge Daily)

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