

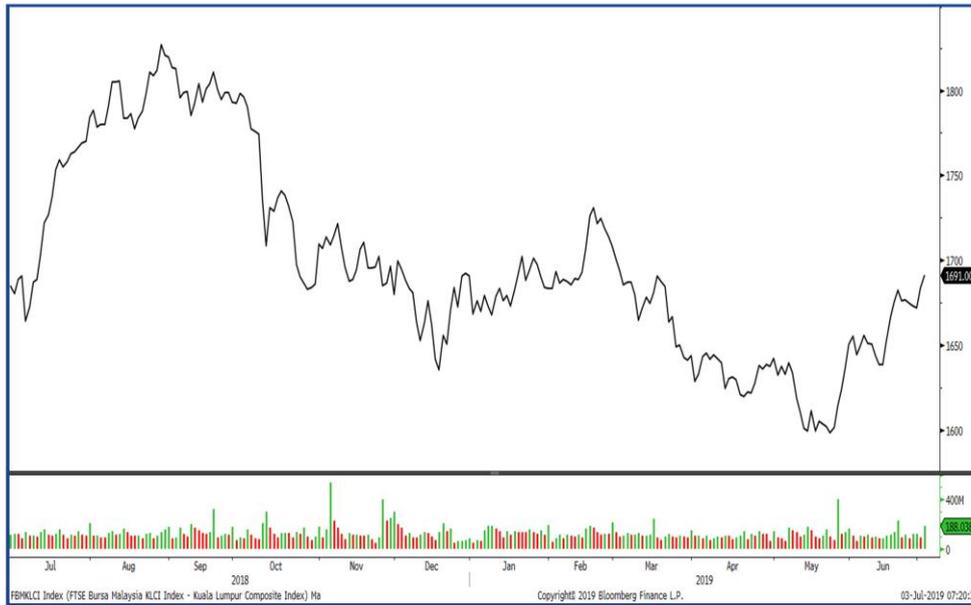
# Market Pulse

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

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## FBM KLCI – Daily



## Market Scorecard

	Close 2-Jul-19	Change %
FBM KLCI	1,691.00	0.44
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,940.76	0.47
FBM 100	11,784.07	0.48
FBM Fledgling	14,838.09	-0.32
FBM Small Cap	13,297.34	0.14
FBM ACE	4,522.89	-0.33
FBM Shariah	12,318.76	0.43
Volume (mln)	2,821.17	-14.90
Value (RM mln)	2,568.30	17.57

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

## Becoming More Expensive

- The FBM KLCI (+0.4%) continues to build-up from its previous session's gain after lingering in the positive territory for the entire trading session yesterday. The lower liners, however, closed mostly lower as the FBM Fledgling and FBM ACE shed 0.3% each, while the broader market ended mostly higher.
- Market breadth turned slightly negative as decliners edged advancers on a ratio of 450-to-440 stocks. Traded volumes fell 14.9% to 2.82 bln shares on mild profit taking activities among the lower liners.
- Topping the FBM KLCI winners list was Nestle (+40.0 sen), followed by Tenaga (+26.0 sen), Petronas Dagangan (+22.0 sen), Hong Leong Bank (+16.0 sen) and Hong Leong Financial Group (+14.0 sen). Meanwhile, BLD Plantations (+43.0 sen), G3 Global (+25.0 sen), Sungei Bagau Rubber (+22.0 sen) and Gamuda (+17.0 sen) advanced on the broader market. Merge Energy added 1.0 sen bagging a contract for the Langat 2 water treatment plant.
- Notable decliners the broader market were Dutch Lady (-30.0 sen), Fraser & Neave (-30.0 sen), Latitude Tree Holdings (-18.0 sen), Genting Plantations (-10.0 sen) and Allianz (-10.0 sen). Key losers on the big board were Top Glove (-12.0 sen), Petronas Chemicals (-9.0 sen), KLK (-8.0 sen), Sime Darby Plantations (-6.0 sen) and Petronas Gas (-4.0 sen).
- Asian benchmark indices trended mostly higher as the Nikkei rose 0.3% after recovering all its intraday losses. The Hang Seng Index jumped 1.2%, playing catch-up with the sharp rise across global equities in the previous sessions, but the Shanghai Composite fell 0.03%. ASEAN stockmarkets,

### Futures

FKLI Spot	1,698.50	0.62
FKLI Forward	1,697.50	0.59

### Foreign

Dow Jones	26,786.68	0.26
S&P 500	2,973.01	0.29
NASDAQ	8,109.09	0.22
FTSE 100	7,559.19	0.82
DAX	12,526.72	0.04
CAC 40	5,576.82	0.16
FTSE STI	3,370.80	-0.04
Shanghai Composite	3,043.94	-0.03
Hang Seng Index	28,875.56	1.17
Nikkei 225	21,754.27	0.11

### Commodities

WTI Crude Oil (USD)	56.51	0.46
Brent Spot (USD)	62.40	-4.09
Gold (USD)	1,426.23	0.53
CPO (RM)	1,967.00	0.46

### Currency

USD	4.1410	-0.16
GBP	5.2206	0.12
EURO	4.6727	0.25
SGD	3.0509	0.08
YEN	26.1570	0.10

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meanwhile, closed mostly higher yesterday.

- U.S. stockmarkets trended higher again as the Dow climbed 0.3%, boosted by the prospect of renewed monetary stimulus that overshadowed the potential tariffs imposition on US\$4.0 bln worth of European products. On the broader market, the S&P 500 (+0.3%) advanced to close at a fresh record high level, while the Nasdaq ended 0.2% higher.
- Earlier, European benchmark indices – the FTSE (+0.8%), CAC (+0.2%) and DAX (+0.04%) all extended their gains, mirroring the positive performance across global equities. In the meantime, U.K. construction activity suffered its worst fall over a decade, falling to 43.1 in June 2019 on the back of rising Brexit concerns.

## THE DAY AHEAD

- Although toppish, FBM KLCI stocks continue to make headway yesterday amid the more positive global market undertone that has also helped Malaysian equities to gain ground. However, the key index is looking increasing toppish and early signs of an impending pullback have emerged, albeit the key index could still tip higher over the near term in tandem with the overnight gains in most major global equity markets.
- Meanwhile, the FBM KLCI's purple patch has seen it gaining nearly 8.0% over the past six weeks which has also left its valuations tethering on the expensive side, above its historical average forward ranges of 14x-17x. The toppish valuations, coupled with the recent gains, could limit the near term upsides, in our view, as there remains no change to corporate Malaysia's outlook that is still challenging.

- On the upside, the 1,700 points level is the major resistance, followed by the 1,706 level. The supports are at 1,690 and 1,683 respectively.
- Elsewhere, the mixed conditions are dominating with the FBM Small Cap still seeing firm following, while FBM ACE and Fledgling indices are headed the opposite direction. The recent gains have also resulted in the FBM Small Cap index pushing into the overbought zone and a retreat is in store as market players could take some of their recent gains off the table. At the same time, market participation is also thinning and this could result in further profit taking activities.

## COMPANY BRIEF

- **EA Technique (M) Bhd** is planning to issue 121.6 mln new shares at an issue price of 47.0 sen apiece to repay a debt of RM57.2 mln that it owes its major shareholder, Sindora Bhd. The proposed issuance is expected to raise gross proceeds of about RM50.0 mln. The firm is also planning a private placement of up to 106.4 mln new shares or about 17.0% of its enlarged total number of issued shares.
- Further, the group has proposed to issue up to 366.0 mln free warrants, on the basis of one warrant-for-every two existing shares. Based on the exercise price of 55.0 sen, the proposed free warrants issue is expected to raise gross proceeds of RM201.3 mln, assuming full exercise of the warrants. (The Star Online)
- **Malaysia Airports Holdings Bhd (MAHB)** has been approved by the Ministry of Finance (MoF) to proceed with expansion plans for the Penang International Airport (PIA). The MoF notes that the plans are

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ready to be submitted by end-July, in order to obtain the planning permission from the Penang Island City Council (MBPP), after the project has received the necessary clearance on the plans from the transport ministry, the Malaysian Aviation Commission (Mavcom) and the Department of Lands and Mines as the landowner.

- Currently, MAHB is in discussion with various parties on the options for investment and funding models. Construction is expected to start in 1Q2020 once the necessary plans are approved by MBPP. (The Star Online)
- **Kumpulan Perangsang Selangor Bhd (KPS)** has given the green light to the government's proposed acquisition of all securities of Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (Sprint Holdings) in Sprint. KPS owns a 20.0% equity stake in Sprint Holdings, which wholly owns highway operator Sprint. (The Edge Daily)
- **Cypark Resources Bhd** intends to raise up to RM550.0 mln in fresh funds through issuance of Islamic Medium Term Notes programme, to finance 3x30 MW AC solar photovoltaic power plant projects. The Islamic Sukuk programme will have a tenure of 22 years, commencing from the date of the first issuance. (The Edge Daily)
- **Sumatec Resources Bhd** has received a letter from CaspiOilGas LLP (COG), owned by its Executive Vice Chairman Tan Sri Halim Saad, stating COG has successfully defended against its creditors' claims at the Supreme Court of the Republic of Kazakhstan. COG states that it has proceeded on the oil production front with its 2019 well workovers programme, involving a total of eight wells following the court decision. (The Edge Daily)
- **Damansara Realty Bhd** has received a lease contract to construct and manage a

parking lot in Muntinlupa City, Philippines. The contract of lease with Madrigal Business Park Commercial Estate Association Inc (MBPCEA) is to build a two-level steel deck parking facility comprising approximately 208 parking slots at Madrigal Business Park, Ayala-Alabang, Muntinlupa City, Philippines.

- With the new contract, both parties will also renew the existing car park contracts for 702 parking slots under the new terms and conditions. The term of the contract is for a period of 20 years, commencing 1st July 2019 and renewable for another 10 years. (The Edge Daily)

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