

Market Pulse

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M+ Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 8-Jul-19	Change %
FBM KLCI	1,677.64	-0.29
52-W High	1,826.90	
52-W Low	1,572.03	
FBM EMAS	11,905.29	-0.28
FBM 100	11,741.42	-0.30
FBM Fledgling	14,869.04	-0.28
FBM Small Cap	13,460.79	0.16
FBM ACE	4,660.41	0.81
FBM Shariah	12,274.35	-0.49
Volume (mln)	2,124.64	-17.52
Value (RM mln)	1,680.02	-8.04

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

Still Looking Frail, More Downside Seen

- Despite recovering most of its intraday losses, the FBM KLCI (-0.3%) remained in the red as the key index marked its fourth consecutive session of decline, in line with the weakness across its regional peers on Monday. The lower liners – the FBM Small Cap (-0.4%), FBM Fledgling (-0.5%) and FBM ACE (-1.8%), all fell, while the broader market finished mostly lower.
- Market breadth stayed negative as decliners outpaced advancers on a ratio of 568-to-267 stocks. Traded volumes contracted 17.6% to 2.12 bln shares as investors turned wary after the recent pullback.
- More than two-thirds of the key index components were in the red, led by Nestle (-30.0 sen), followed by Petronas Gas (-16.0 sen), Genting (-13.0 sen), IHH (-11.0 sen) and Hong Leong Financial Group (-10.0 sen). Among the biggest losers on the broader market include Fraser & Neave (-62.0 sen), Carlsberg (-20.0 sen), Bursa (-16.0 sen), Amway (-14.0 sen) and Genting Plantations (-12.0 sen).
- Significant gainers in the broader market were Chin Teck Plantations (+18.0 sen), Perusahaan Sadur Timah (+18.0 sen), SAM Engineering & Equipment (+15.0 sen), Shangri-La (+14.0 sen) and United Plantations (+12.0 sen). There were only three winners on the key index – Tenaga (+22.0 sen), CIMB (+1.0 sen) and RHB Bank (+1.0 sen).
- Asia's benchmark indices finished lower as the Nikkei fell 1.0% after Japan imposed tighter restrictions on export of high-tech materials used in smartphones to South Korea. The Hang Seng Index slipped 1.5% following another round of protest over the

Futures		
FKLI Spot	1,684.50	-0.56
FKLI Forward	1,683.50	-0.56

Foreign		
Dow Jones	26,922.12	-0.43
S&P 500	2,990.41	-0.18
NASDAQ	8,161.79	-0.10
FTSE 100	7,553.14	-0.66
DAX	12,568.53	-0.49
CAC 40	5,593.72	-0.48
FTSE STI	3,366.81	-0.16
Shanghai Composite	3,011.06	0.19
Hang Seng Index	28,774.83	-0.07
Nikkei 225	21,746.38	0.20

Commodities		
WTI Crude Oil (USD)	57.74	-0.26
Brent Spot (USD)	64.44	0.33
Gold (USD)	1,396.13	-0.16
CPO (RM)	1,945.00	-0.77

Currency		
USD	4.1355	-0.06
GBP	5.1904	0.23
EURO	4.6557	0.19
SGD	3.0463	0.08
YEN	26.1280	-0.21

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weekend, while the Shanghai Composite slumped 2.6%. ASEAN stockmarkets, meanwhile, closed mostly lower yesterday.

- U.S. stockmarkets extended their losses on Monday as the Dow fell 0.4% as the stronger-than-expected jobs data raised uncertainty over potential interest rate cut by the U.S. Federal Reserve. On the broader market, the S&P 500 declined 0.5%, pressured by the materials sector (-1.1%), while the Nasdaq closed 0.8% lower.
- Earlier, European benchmark – the FTSE (-0.1%), CAC (-0.1%) and DAX (-0.2%), all mirrored the weakness across ASEAN equities. Deutsche Bank AG sank 5.9% after announcing its most radical strategic overhaul in two decades by cutting 18,000 jobs with the whole teams of equity traders in Europe, the U.S. and Asia dismissed.

THE DAY AHEAD

- Bursa Malaysia's near term outlook remains feeble amid the toppish environment that is set to prolong the ongoing consolidation trend. The pullback in overseas equity markets are also causing sentiments to wane and could hasten the profit taking actions.
- As it is, global stocks prices are taking a step back after the recent gains have left stocks overbought, gaining on speculation that Central Banks will offer more monetary and fiscal stimulus to cushion the slowing economic growth. The better-than-expected economic data, however, has now tempered hopes of an immediate U.S. interest rate cut and this is set to prolong the consolidation.
- We think the FBM KLCI could retrace back to the immediate support of 1,670

level, but if it gives way, the next support is at the 1,660 level. The resistances, meanwhile, are at 1,680 and 1,687 respectively.

- Meanwhile, the consolidation on the stocks listed on the FBM Small Cap, FBM Fledgling and FBM ACE indices are likely to continue as they remain overbought from the recent gains.

COMPANY BRIEF

- **Barakah Offshore Petroleum Bhd** has proposed to undergo a regularisation plan that will include a share capital reduction, disposal of a pipelay barge for RM88.0 mln, placements of shares to investors, as well as debt settlement schemes. (The Edge Daily)
- **TDM Bhd**, in which the Terengganu state government has a controlling 61.5% ownership, has secured a deal to supply 107,500 tonnes of crude palm oil (CPO) over a period of 43 months that comes with an upfront RM189.0 mln payment with Ikkhasas CPO Sdn Bhd yesterday.
- Of the total upfront payment, TDM intends to use RM52.5 mln to reduce debt borrowings, RM125.0 mln for operating expenses and general working capital for its Malaysian and Indonesian plantations, and RM10.0 mln for capex. (The Edge Daily)
- **Mestron Holdings Bhd** has inked a Memorandum of Understanding (MoU) with Platinum Core Solutions Sdn Bhd (PCS) for a joint-venture (JV) involving the conversion of telecommunication signals to boost Internet speed.
- The MoU provides an opportunity for Mestron to expand its foothold in the telecommunication infrastructure business by participating in the

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centralised BBU system project and would allow the company to leverage on the favourable outlook of the telecommunication infrastructure industry, specifically through the periodic roll out of 5G technology in Malaysia. (The Star Online)

- **London Biscuit Bhd** has slipped into Practice Note 17 (PN17) company after it defaulted a debt payment of RM9.8 mln to Bank of Nova Scotia Bhd. The bank was also unable to provide a solvency declaration to Bursa Malaysia.
- Consequently, the confectionery manufacturer is required to submit a regularisation plan to the Securities Commission Malaysia or Bursa Malaysia within the next 12 months. (The Edge Daily)
- **APFT Bhd** is planning to pool its resources with aircraft maintenance academy, Malaysian Aviation Training Academy Sdn Bhd (MATA) to form the largest training centre for aviation professionals in Malaysia.
- A Memorandum of business collaboration agreement was signed on 7th July 2019 where APFT and MATA will be sharing their resources and knowledge to facilitate the application of various licenses. The licenses, under Civil Aviation Authority of Malaysia, include Approved Flying Training Organisation, Maintenance, Repair And Overhaul, and Air Operator Certificate. (The Edge Daily)

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