

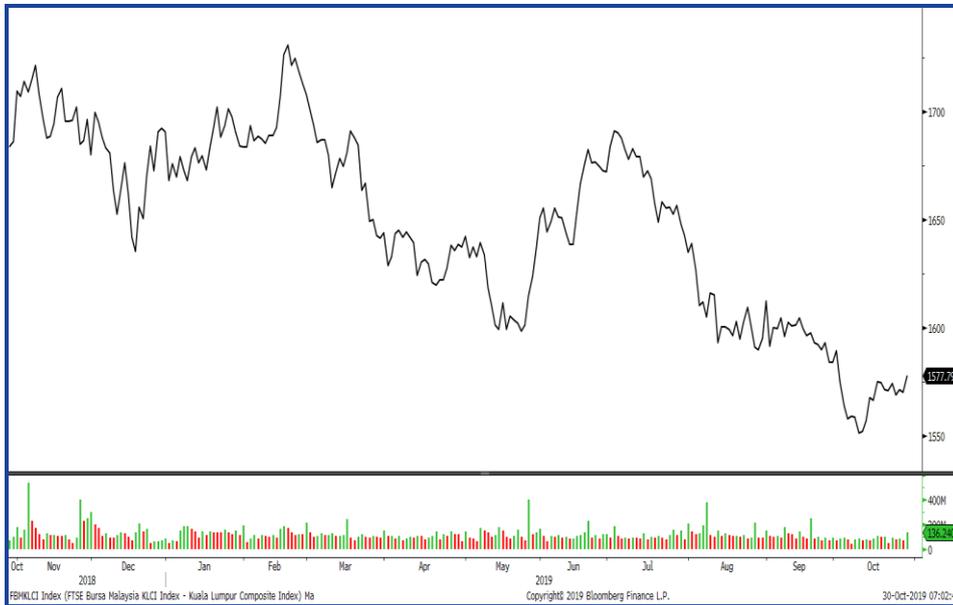
Market Pulse

Wednesday, 30 Oct, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 29-Oct-19	Change %
FBM KLCI	1,577.79	0.50
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,199.62	0.35
FBM 100	11,010.34	0.35
FBM Fledgling	14,344.91	-0.09
FBM Small Cap	13,586.79	0.32
FBM ACE	4,928.12	1.17
FBM Shariah	11,816.02	0.15
FBM MidS Cap	14,785.17	0.05
FBM MidS (Shariah)	13,994.38	0.04
Market Participation		
Trading Volume (mln)	2,304.0	11.6
Trading Value (RM mln)	1,906.7	36.3
FKLI Spot Futures	1,576.50	0.64
FKLI Forward Futures	1,578.50	0.80

Looking At Follow-Through Buying

- The FBM KLCI (+0.5%) resumed trading on an upbeat manner, taking cue from the positive developments on Wall Street overnight amid the U.S.-China trade progress. The lower liners also closed mostly higher as the FBM Small Cap and FBM ACE indices added 0.3% and 1.2% respectively, while the broader market closed mixed.
- Market breadth turned positive as advancers overcame decliners on a ratio of 408-to-393 stocks. Traded volumes gained 11.6% to 2.30 bln shares amid the more positive market sentiment.
- Chart toppers on Tuesday were Hong Leong Financial Group (+34.0 sen), Hong Leong Bank (+30.0 sen), Nestle (+20.0 sen), RHB Bank (+16.0 sen) and Petronas Gas (+12.0 sen). Significant winners on the on the broader market were consumer products stocks like Ajinomoto (+38.0 sen), Carlsberg (+22.0 sen), Heineken (+22.0 sen), BAT (+14.0 sen) and Sime Darby Plantations (+11.0 sen).
- Among the biggest decliners on the broader market were Aeon Credit (-28.0 sen), Ayer Holdings (-28.0 sen), United Plantations (-18.0 sen) and KESM Industries (-16.0 sen). Unisem slipped 13.0 sen after reporting a weak set of quarterly earnings. Meanwhile, Tenaga (-8.0 sen), Hartalega (-3.0 sen), Sime Darby (-3.0 sen), KLK (-2.0 sen) and Petronas Chemicals (-2.0 sen) declined on the FBM KLCI.
- Asia benchmark indices closed on a mixed note as the Nikkei (+0.5%) extended its gains for the sixth straight session after re-testing the 23,000 psychological level on the U.S.-China trade optimism. The Hang Seng Index (-0.4%) retreated on recession warnings, while the Shanghai Composite slipped

Dow Jones	27,071.42	-0.07
S&P 500	3,036.89	-0.08
NASDAQ	8,276.85	-0.59
FTSE 100	7,306.26	-0.34
DAX	12,939.62	-0.02
CAC 40	5,740.14	0.17
FTSE STI	3,197.04	0.36
Shanghai Composite	2,954.18	-0.87
Hang Seng Index	26,786.76	-0.39
Nikkei 225	22,974.13	0.47
WTI Crude Oil (USD)	55.52	-0.04
Brent Spot (USD)	61.59	0.03
Gold (USD)	1,487.25	-0.03
CPO (RM)	2,417.00	0.79
USD	4.18	0.01
GBP	5.37	-0.06
EURO	4.6379	0.07
SGD	3.0717	-0.01
YEN	26.0130	-0.16

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0.9%. Asia equities, meanwhile, closed mostly higher yesterday.

- U.S. stockmarkets retreated after erasing all their intraday gains as the Dow fell 0.1% on weaker-than-expected corporate earnings from Akami and Alphabet. Likewise, the S&P 500 declined 0.1%, while the Nasdaq slipped 0.6%.
- Earlier, major European indices ended mostly lower as the FTSE and CAC declined 0.3% and 0.02% respectively as the former was dragged down by BP PLC (-3.8%) after the oil giant reported weak corporate earnings due to the low oil prices environment. The CAC, however, rose 0.2% after recovering all its' intraday losses.

THE DAY AHEAD

- Although the key index gained ground yesterday, the buying was selective as the return of some foreign institutional interest providing the lift for some of the index heavyweights. While their return is welcomed to break the recent selling spree, the buying was still relative benign and selective.
- Therefore, we think that more evidence of sustained foreign buying, or even from domestic sources, are needed to provide the key index with a sustainable uptrend. Nevertheless, the fresh buying is welcomed after the key index's recent slide and to reverse some of the negativity that has engulfed the key index stocks of late.
- For now, we think there could be more near term selective gains as the FBM KLCI looks to build on yesterday's gains to break out of its rangebound trend and to potentially re-test the 1,580 level, before making a fresh bid at the psychological 1,600 points level. The

supports are at 1,574 and 1,564 respectively.

- The broader market's FBM Small Cap index is also continuing to head higher amid the ongoing rotational plays that we see it making further incremental gains over the near term. As it is, the FBM Small Cap remains overbought, but with still few signs of a retreat as yet, we think the extended overbought streak will persist for now.
- Similarly, many other lower liners indices are tethering at the overbought region with few signs of a pullback as yet. Therefore, there will still be further near term upsides, albeit we think that the gains will be measured.

COMPANY BRIEF

- **Bursa Malaysia Bhd's** 3Q2019 net profit lost 6.2% Y.o.Y to RM47.1 mln, from RM50.2 mln in the previous corresponding year, following weaker revenue which fell 5.5% Y.o.Y to RM122.7 mln, from RM129.8 mln last year.
- On a cumulative basis, 9M2019 net profit dipped 18.5% Y.o.Y to RM140.3 mln, from RM172.2 mln a year ago, while revenue narrowed by 11.4% to RM373.2 mln, from RM421.1 mln earlier. (The Star Online)
- **Malakoff Corp Bhd** plans to dispose of its entire 50.0% participating interest in the Macarthur Wind Farm in Australia for A\$356.9 mln, cash, which will give the group a disposal gain of approximately RM546.0 mln. It is disposing off the stake to Megawatt Financing Pty Ltd and AMPCI Macarthur Wind (T) Pty Ltd – the trustee of AMPCI Macarthur Wind Trust. (The Edge Daily)
- **Globetronics Technology Bhd's** 3Q2019 net profit fell 19.7% Y.o.Y to RM18.9 mln

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vs. RM23.6 mln in the same period last year, mainly due to lower volume loadings of products from selected key customers. Revenue was also down 24.5% Y.o.Y to RM66.3 mln, from RM87.7 mln in 3Q2018.

For 9MFY19, the group's net profit slipped 37.3% Y.o.Y to RM30.2 mln, from RM48.1 mln last year, while revenue fell about 36.0% Y.o.Y to RM157.4 mln, from RM245.7 mln previously. (The Edge Daily)

Axis Real Estate Investment Trust (Axis REIT) has proposed to place out up to 247.5 mln new units in the property trust to third party investors to be identified later - to repay bank loans and reduce its gearing ratio.

- The placement represents up to 20.0% of the REIT's total issued units of 1.24 bln units as at 30th September 2019. However, the exact amount of proceeds to be raised from the proposed placement is dependent upon the issue price and actual number of the placement units. (The Edge Daily)
- Petroliam Nasional Bhd (Petronas) has inked a time charter party (TCP) with **MISC Bhd** and UK-based Avenir LNG Ltd, which will see Petronas chartering a 7,500 cu.m3 liquefied natural gas (LNG) bunker vessel from MISC and Avenir. The collaboration positions Petronas among the first LNG bunkering service providers in the South East Asia region, moving Malaysia closer towards becoming a LNG bunkering hub. (The Star Online)
- Tan Sri Vincent Tan Chee Yioun's private company, Singer (M) Sdn Bhd has been identified as the white knight to regularise Practice Note 17 firm **Berjaya Media Bhd (BMedia)**. BMedia, which publishes The Sun newspaper in Malaysia, has proposed that Singer be injected into the company, pursuant to the regularisation plan. (The Edge Daily)

- **Gagasan Nadi Cergas Bhd** plans to acquire a stake in polytechnic hostel asset concessionaire, Konsortium PAE Sepakat Sdn Bhd (KPS) for RM158.0 mln in cash. The company intends to raise the required funds for the acquisition via the issuance of Islamic Medium-Term Notes and a convertible sukuk. (The Star Online)

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