

# Market Pulse

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

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## FBM KLCI – Daily



## Market Scorecard

	Close 8-Oct-19	Change %
FBM KLCI	1,558.79	-0.01
52-W High	1,781.79	
52-W Low	1,551.96	
FBM EMAS	11,074.25	0.14
FBM 100	10,896.65	0.11
FBM Fledgling	14,169.55	0.32
FBM Small Cap	13,184.36	0.77
FBM ACE	4,614.93	1.16
FBM Shariah	11,671.54	0.17
FBM MidS Cap	14,320.01	0.78
FBM MidS (Shariah)	13,630.43	0.97
Market Participation		
Trading Volume (mln)	2,411.4	11.2
Trading Value (RM mln)	1717.3	29.5
FKLI Spot Futures	1,557.00	0.13
FKLI Forward Futures	1,557.00	0.06

## Still Meek And Weak

- The FBM KLCI closed almost unchanged, weighed down by losses in Petronas-linked counters. However, the lower liners – the FBM Small Cap (+0.8%), FBM Fledgling (+0.3%) and FBM ACE (+1.2%) rallied, while the majority of the sub-sectors ended higher, with the exception of the Industrial Products and Services, REITs and Telecommunications and Media sectors.
- Market breadth turned positive as advancers overtook decliners on a ratio of 428-to-381 stocks. Traded volumes also rose by 11.2% to 2.41 bln shares, on the back of renewed buying activities in the lower liners.
- Amongst the underperformers in the blue-chip gauge were Petronas Dagangan (-50.0 sen), Petronas Gas (-22.0 sen), Genting (-8.0 sen), Hong Leong Financial Group (-8.0 sen) and Public Bank (-4.0 sen). Broader market decliners, meanwhile, include BAT (-48.0 sen), Latitude (-18.0 sen), Vitrox (-15.0 sen), CMSB (-11.0 sen) and Sam Engineering (-7.0 sen).
- On the opposite side of the trade, Carlsberg (+RM1.20), Aeon Credit (+34.0 sen), Heineken Malaysia (+28.0 sen), Fraser & Neave (+24.0 sen) and Shangri-La Hotels (+20.0 sen) were the big movers for the day. Key-index leaders were Nestle (+20.0 sen), Kuala Lumpur Kepong (+16.0 sen), Hong Leong Bank (+6.0 sen), MISC (+6.0 sen) and Tenaga Nasional (+6.0 sen).
- Key Asian markets closed mostly higher as major regional markets return from holidays. The Nikkei added 1.0% to close at 21,587.8 points – led by gains in the energy sector, alongside the Shanghai Composite (+0.3%). The Hang Seng index also posted minor gains

Dow Jones	26,164.04	-1.19
S&P 500	2,893.06	-1.56
NASDAQ	7,823.78	-1.67
FTSE 100	7,143.15	-0.76
DAX	11,970.20	-1.05
CAC 40	5,456.62	-1.18
FTSE STI	3,110.85	0.37
Shanghai Composite	2,913.57	0.29
Hang Seng Index	25,893.40	0.28
Nikkei 225	21,587.78	0.99
WTI Crude Oil (USD)	52.38	-0.48
Brent Spot (USD)	58.24	-0.19
Gold (USD)	1,508.77	0.22
CPO (RM)	2,175.00	0.69
USD	4.19	0.01
GBP	5.14	0.31
EURO	4.6066	-0.14
SGD	3.0379	-0.10
YEN	25.5650	-0.38

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after falling from its intraday high as sentiments remained pressured by ongoing political tension in Hong Kong. Similarly, ASEAN stockmarkets ended broadly higher at Tuesday's close.

- In the U.S., markets took a last-minute dive into the negative territory on renewed concerns of worsening U.S.-China trade relations after Washington imposed visa restrictions on Chinese officials connected to the mass detention of Uighurs in China. Consequently, the Dow (-1.2%), the S&P 500 (-1.6%) and the Nasdaq (-1.7%) all retreated.
- Taking cue from the negative sentiment spilled over from Wall Street following new sanctions on China, major European indices – the DAX (-1.1%), the CAC (-1.2%) and the FTSE 100 (-0.8%) also took a beating as investors also digested fresh Brexit news.

## THE DAY AHEAD

- Although the key index is attempting to build up a base around the 1,550 level, the near term outlook remains unsettled as selling, particularly from foreigners, are still prevalent that would keep a lid on the FBM KLCI's near term performance.
- At the same time, the volatile Wall Street and unresolved trade dispute between the U.S. and China could further dampen sentiments and preserve the key index's downward bias for longer. The continuing uncertainties will also see fresh buying remaining thin as local players are also awaiting for Budget 2020 for clues on the country's economic direction.
- In the interim, we think that the selling may continue as the trade war rhetoric ratchets up, in tandem with most overseas equities, and the key index may

head towards the supports at 1,552-1,554 levels and potentially to the psychological 1,550 level. The resistances remain at 1,563 and 1,573 respectively.

- Meanwhile, the FBM Small Cap index looks to continue their near term ascent amid increased rotational play activities, but with market uncertainties picking up, we think that further gains may be tempered by bouts of profit taking activities. Hence, we see increased volatility among the lower liners over the near term that could also spread to the broader market.

## COMPANY BRIEF

- **PRG Holdings Bhd** has obtained its shareholders' approval for the purchase of two teak tree plantations worth RM89.2 mln in Kelantan from Alifya Forestry Sdn Bhd. PRG will pay RM59.2 mln cash and issue 40.3 mln shares at 74.5 sen each amounting to RM30.0 mln to Alifya.
- The acquisition value of RM89.2 mln was lower compared with the fair value of RM98.1 mln as assessed valuers, but the purchase of the plantations would enable it to diversify and strengthen the group's revenue base.
- The first plantation is in Jajahan Gua Musang, measuring 137.0 ha. is an agriculture land with a 50-year leasehold period expiring on 21st June 2053. The second plantation, measuring 227. ha. in Jajahan Kecil Lojing also has a 50-year leasehold and will expire on 7th August 2066. The acquisition is expected to be completed by end-December 2019. (The Star Online)
- **MSM Malaysia Holdings Bhd** is selling a 4,453.9 ha. land in Chuping, Perlis, to

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- Fraser & Neave Holdings Bhd (F&N)** for RM156.0 mln – an 18% discount on the market value of the land. MSM will use proceeds from the disposal to repay bank borrowings and for working capital. (The Edge Daily)
- **Kluang Rubber Co (Malaya) Bhd** has proposed a special dividend of five sen per share for the financial year ended 30th June 2019, in additional to a first and final dividend of one sen. The dividend will be payable on 6th January 2020. (The Edge Daily)
  - **Axis Real Estate Investment Trust (Axis REIT)** is buying a property in Nilai from K-Plastics Industries Sdn Bhd for RM50.0 mln. The leasehold land with a gross floor area of 246,500 sq. ft. houses a single-storey factory with a double-storey office annexed.
  - It is currently being used for the manufacturing and sale of plastics and packaging products. The proposed acquisition of the property is targeted for completion by end-2019. (The Edge Daily)
  - **Mi Technovation Bhd** has proposed a bonus issue of up to 250.0 mln new shares on the basis of one bonus share-for-every two existing shares held. (The Edge Daily)

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