

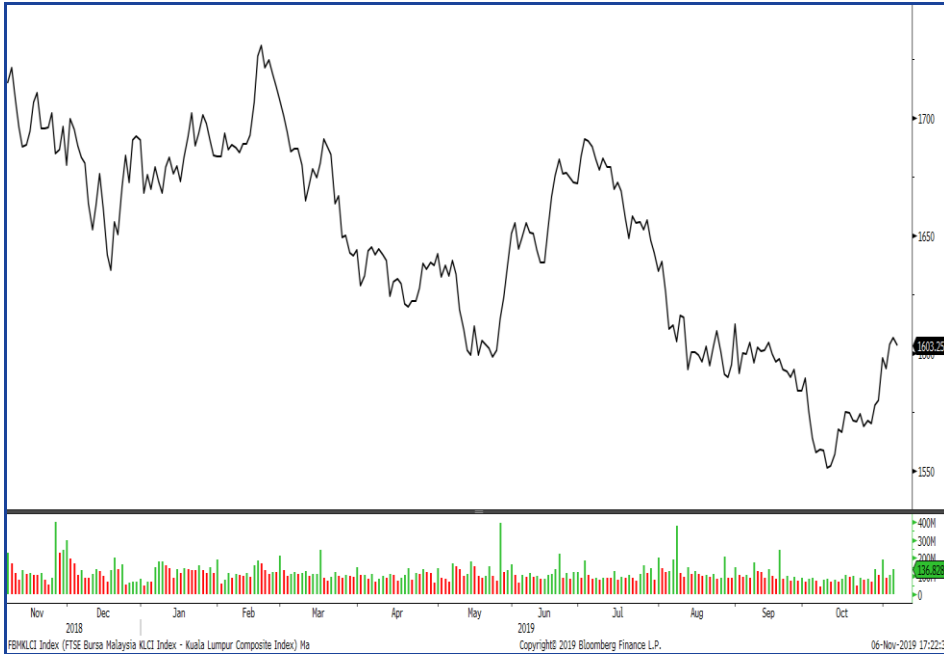
Market Pulse

Thursday, 07 Nov, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 6-Nov-19	Change %
FBM KLCI	1,603.25	-0.22
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,343.31	-0.27
FBM 100	11,156.13	-0.27
FBM Fledgling	14,505.96	-0.01
FBM Small Cap	13,642.67	-0.16
FBM ACE	4,957.11	-0.81
FBM Shariah	11,877.40	-0.45
FBM MidS Cap	14,836.48	-0.42
FBM MidS (Shariah)	14,069.89	-0.50
Market Participation		
Trading Volume (mln)	2,706.8	3.1
Trading Value (RM mln)	1,720.7	-23.5
FKLI Spot Futures	1,605.00	0.03
FKLI Forward Futures	1,606.50	-0.03

Holding Pattern

- Malaysian stocks retreated yesterday as profit taking set-in with most sub-indices in the red, except for the REIT and Energy indices, after an extended overbought streak. However, the key index managed to stay above the 1,600 points level at the close despite shedding 0.2% for the day, while the broader market indices like the FBM Small Cap (-0.2%), FBM Fledgling (-0.1%) and FBM ACE (-0.8%) succumbed to further profit taking actions.
- Expectedly, market breadth was negative with losers ahead of winning stocks on a ratio of 490-to-333 stocks. The selling also intensified with 2.71 bln shares traded for the day, some 3.1% higher than the previous day's total.
- Major losers among the index heavyweights were Petronas Chemicals (-10.0 sen), Petronas Gas (-20.0 sen) and Tenaga (-8.0 sen). On the broader market, the key losers include United Plantations (-18.0 sen), KESM (-12.0 sen), Hengyuan (-11.0 sen) and IJM Corp (-11.0 sen)
- Meanwhile, Velesto (+2.5 sen) were among the day's big mover following the award of a new contract, while other broader market movers include consumer bellwethers like F&N (+24.0 sen), Carlsberg (+12.0 sen) and Amway (+10.0 sen). Among the index heavyweights, Malaysia Airports topped the gainers list with a 46.0 sen increase, followed by Maybank (+5.0 sen) and Press Metal (+8.0 sen).
- Asian stocks were mixed after their recent gains with profit taking setting in. The Nikkei (+0.2%), however, maintained its uptrend to close at its five-month high, while China stocks retreated with the Shanghai Composite slipping 0.4% as market players await

Dow Jones	27,492.56	0.00
S&P 500	3,076.78	0.07
NASDAQ	8,410.63	-0.29
FTSE 100	7,396.65	0.12
DAX	13,179.89	0.24
CAC 40	5,866.74	0.34
FTSE STI	3,262.69	0.43
Shanghai Composite	2,978.60	-0.43
Hang Seng Index	27,688.64	0.02
Nikkei 225	23,303.82	0.22
WTI Crude Oil (USD)	56.38	0.05
Brent Spot (USD)	61.74	-1.94
Gold (USD)	1,490.80	0.02
CPO (RM)	2,554.00	1.55
USD	4.14	-0.16
GBP	5.33	-0.18
EURO	4.5866	0.28
SGD	3.0455	-0.02
YEN	26.3520	0.00

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for more developments on the trade front. The Hang Seng managed to close with minute gains, but ASEAN stocks were mostly lower for the day.

- U.S. stocks went nowhere overnight as fresh concerns over the status of the U.S.-China trade negotiations placed its markets in a cautious mode. The Dow (-0.1%) closed marginally lower, but the S&P 500 inched up 0.1%. The tech-heavy Nasdaq also closed slightly lower.
- European stocks, however, were generally on the up as rotational plays helped them to climb to near their record highs as well as to cast aside concerns of the U.S.-China trade talks. All three major European stock indices – FTSE, CAC and DAX climbed, but the gains were relatively mild after the indifferent performance on Wall Street.

THE DAY AHEAD

- Even though Malaysian stocks retreated yesterday, market conditions remain toppish that could signal further retreat over the near term as they look to adjust from their bout of overbought. As it is, the FBM KLCI remained tethered to the overbought zone as yesterday's retreat was measured.
 - With conditions still toppish, we see further near term pullback for stocks on Bursa Malaysia as there are also fresh uncertainties over the U.S.-China trade negotiations that may be delayed. This will allow the key index to adjust from its overbought streak as well as to take a breather from its recent gains.
 - At the same time, the lull could also allow the key index to build up a base around the 1,600 points level for a possible year-end window dressing push. Below 1,600, the support is at the 1,590 level, while the
- resistances remain at the 1,610 and 1,620 levels.
- The lower liners and broader market shares are also similarly undergoing a consolidation spell after their recent gains that we also see persisting over the near term amid the slightly dampened market sentiments. These indices also remain overbought and a pullback is in the offing for the gains to be digested.

COMPANY BRIEF

- **Country Heights Holdings Bhd** is proposing to sell a piece of vacant land in Mukim Batu, Kuala Lumpur for RM54.3 mln to former investment banker, Siva Kumar M Jeyapalan. Disposal proceeds would be used to finance working capital and repay borrowings. (The Edge Daily)
- **Mitrajaya Holdings Bhd** has secured a contract worth RM137.0 mln to build a block of 37-storey condominiums with amenities in Mont Kiara. The 30-month contract was awarded by Milik Harta Sdn Bhd, a member of UEM Group. (The Edge Daily)
- **Gadang Holdings Bhd** plans to participate in the open tender for three Pan Borneo Highway Sabah packages worth RM925.0 mln that is slated to be awarded next year. Concurrently, the group has submitted bids for some RM1.0 bln worth of construction jobs. Gadang is also awaiting the opportunity to submit its bids on the Sarawak portion of the Pan Borneo Highway, as well as the East Coast Rail Link (ECRL) project, which it has been shortlisted for. (The Edge Daily)
- **Fraser & Neave Holdings Bhd** (F&N) expects fresh milk to be a new growth pillar for the company, in-line with its plan to diversify into integrated dairy farming, following the proposed

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acquisition of the Ladang Chuping plantation land in Perlis. Currently, liquid milk only contributes a low single-digit percentage to the F&N's total revenue.

- The group said that the local farm gate milk price is one of the highest in the world due to the inadequate supply of fresh milk locally. Besides that, imported milk comes with strict quota control, where a 20.0% import tax is levied on the product. (The Star Online)
- **PPB Group Bhd's** 18.5%-owned associate, Wilmar International Ltd is planning to build the largest rice mill in Myanmar's Thilawa Special Economic Zone to capitalise on Myanmar's economic growth. The proposed mill is able to produce up to 1,200 tonnes of rice a day. (The Edge Daily)
- **Ire-Tex Corp Bhd** has fallen into Practice Note 17 (PN 17) status after its external auditors, Nexia SSY PLT expressed a disclaimer of opinion on the group's FY19 financial statements in its annual report issued on 31st October 2019. The classification is immediate as the Main Market-listed packaging company had failed to announce to the exchange upon triggering the criteria. (The Star Online)
- **London Biscuits Bhd** has defaulted on principal payments to seven banks, amounting to a total of RM89.2 mln. The payment defaults range from RM4.3 mln to RM29.9 mln, owed to seven banks, namely; Bank Islam Malaysia Bhd, Bank of China (Malaysia) Bhd, Malayan Bank Bhd, United Overseas Bank Bhd, OCBC Bank (Malaysia) Bhd, OCBC Al-Amin Bank Bhd and HSBC Bank Malaysia Bhd.
- The default in payments is said to arise from cashflow constraints, with the default dates between 19th June 2019 and 20th September 2019. (The Edge Daily)

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