

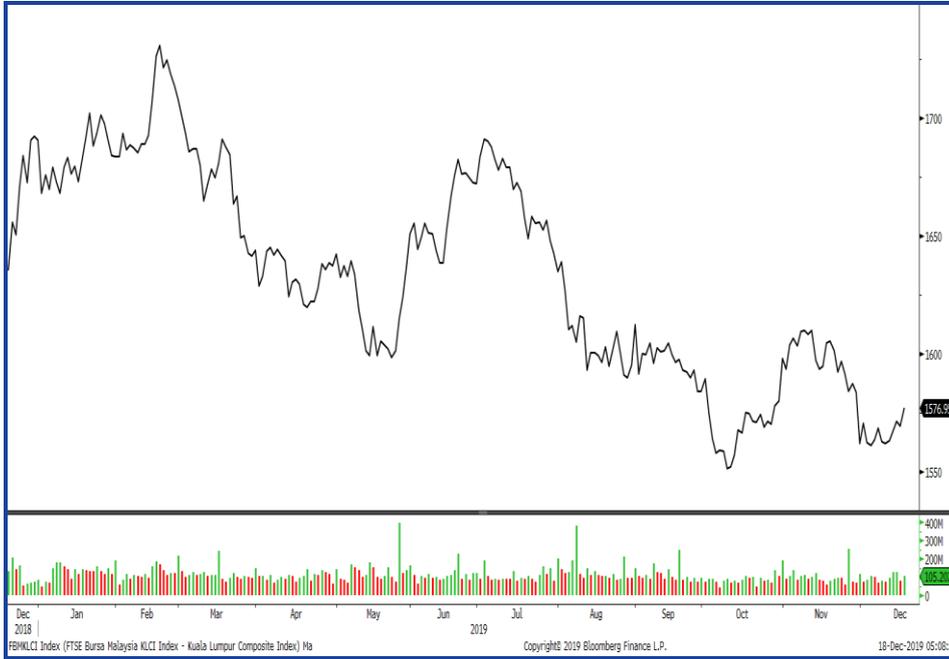
Market Pulse

Wednesday, 18 Dec, 2019

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 17-Dec-19	Change %
FBM KLCI	1,576.95	0.48
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,229.36	0.42
FBM 100	11,027.15	0.45
FBM Fledgling	15,010.53	0.06
FBM Small Cap	13,947.21	-0.25
FBM ACE	5,054.07	2.10
FBM Shariah	11,882.72	0.44
FBM MidS Cap	15,329.08	0.15
FBM MidS (Shariah)	14,485.37	-0.01
Market Participation		
Trading Volume (mln)	2,346.4	2.4
Trading Value (RM mln)	1993.7	12.9
FKLI Spot Futures	1,580.00	0.51
FKLI Forward Futures	1,583.00	0.51

Extended Trade Relief Rebound

- The FBM KLCI (+0.5%) managed to recover all its' intraday losses on buying support in selected index heavyweights in the final hour of the trading session on Tuesday. Amidst the mixed broader market, gains were evident amongst the lower liners as the FBM Fledgling rose 0.1%, while the FBM ACE soared 2.1%.
- Market breadth stayed negative as decliners pipped advancers on a ratio of 416-to-407 stocks. Traded volumes, however, rose 2.4% to 2.35 bln shares trading interest were centered towards the lower liners.
- Public Bank (+16.0 sen) anchored the FBM KLCI winners list, followed by Tenaga (+16.0 sen), Maxis (+13.0 sen), and Hartalega (+12.0 sen). Top Glove (+21.0 sen) extended its' gains after delivering a strong set of quarterly earnings. Significant advancers on the broader market were BAT (+78.0 sen), United Plantations (+28.0 sen), Bintulu Port (+18.0 sen), QL Resources (+18.0 sen) and Genting Plantations (+16.0sen).
- Key losers on the broader market losers include Panasonic (-RM2.82), Dutch Lady (-RM1.28), New Hoong Fatt (-13.0 sen) and Thong Guan (-13.0 sen). Scientex shed 27.0 sen after 1QFY20 earnings missed analysts' estimates. On the local bourse, Petronas-related companies like Petronas Gas (-40.0 sen) and Petronas Dagangan (-40.0 sen), fell, while Nestle, MISC and PPB Group declined 30.0 sen, 21.0 sen and 12.0 sen respectively.
- Asia benchmark indices finished mostly higher, taking cue from the gains on Wall Street overnight. The Nikkei rose 0.5% to re-claim the 24,000

Dow Jones	28,267.16	0.11
S&P 500	3,192.52	0.03
NASDAQ	8,823.36	0.10
FTSE 100	7,525.28	0.08
DAX	13,287.83	-0.89
CAC 40	5,968.26	-0.39
FTSE STI	3,200.80	-0.16
Shanghai Composite	3,022.42	1.27
Hang Seng Index	27,843.71	1.22
Nikkei 225	24,066.12	0.47
WTI Crude Oil (USD)	60.53	-0.67
Brent Spot (USD)	66.10	1.16
Gold (USD)	1,475.96	-0.02
CPO (RM)	2,878.00	0.10
USD	4.14	0.00
GBP	5.47	1.25
EURO	4.6130	-0.04
SGD	3.0550	0.00
YEN	26.4630	-0.13

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psychological level. The Shanghai Composite (+1.3%) trended higher for the third straight session, while the Hang Seng Index jumped 1.2% higher. ASEAN equities, meanwhile, closed mostly higher on Tuesday.

- U.S. stockmarkets trended higher to close at another fresh record high level on the back of the extended trade relief rally as the Dow gained 0.1%. Likewise, the broader market saw the S&P 500 inch higher anchored by gains in the consumer discretionary sector (+0.6%), while the Nasdaq climbed 0.1% as well.
- Major European indices turned lower as the CAC and DAX fell 0.4% and 0.9% respectively on worries that Brexit may take place without a trade agreement in place. The FTSE, however, managed to recover all its' intraday losses to close 0.1% higher, supported by the weaker British Pound against the Greenback.

THE DAY AHEAD

- It appears that there were bouts of bargain hunting activities emerged on the FBM KLCI as investors felt re-assured on the "Phase One" of U.S.-China trade deal that will be signed in January 2020. The extended trade relief rebound alongside with the positive sentiment across global equities may provide some alleviation for the FBM KLCI to build on to its' gains, playing catch-up with strong momentum across its' regional peers.
- We think that the key index may continue to see some nibbling, but the key index may continue to consolidate, ranging between the 1,558-1,579 levels over the foreseeable future. A breakout above the 1,579 level may prompt the key index higher towards the next resistance located at the 1,590 level. In the meantime, the 1,550 level will serve as

the key support.

- Expectedly, the FBM Small Cap took a pullback as investor locked in their recent gains. We think the retracement is healthy, premised to the overbought condition. Nevertheless, rotational play may continue to keep trading interest afloat, particularly in the construction, technology, plantation and energy shares.

COMPANY BRIEF

- **Aeon Credit Service (M) Bhd** has proposed to raise RM2.0 bln fresh capital through a sukuk programme to fund loan disbursements and refinancing any existing loans. Subsequently, RAM Rating Services Bhd has assigned a AA3 (stable) rating to the senior sukuk, while the subordinated sukuk was rated A1 (Stable). (The Edge Daily)
- **Alam Maritim Resources Bhd** has secured a job for the provision of an anchor handling tug vessel from Petronas Carigali Sdn Bhd worth RM6.6 mln. The contract will be ongoing for 125 days, with a 30-day extension option and has commenced on 3rd October, 2019. (The Edge Daily)
- **Asia Poly Holdings Bhd's** indirect subsidiary Asia Poly Bio Gas Sdn Bhd has signed a renewable energy power purchase agreement (REPPA) with Tenaga Nasional Bhd (TNB). The group is to sell and deliver renewable energy to TNB under the agreement. Asia Poly has a 51.0% equity stake in Asia Poly Bio Gas, while the remaining stake is held by Musteq Green Renewable Sdn Bhd. (The Edge Daily)
- **GFM Services Bhd** is planning to buy a 49.0% equity stake in downstream O&G company Highbase Strategic Sdn Bhd for

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RM1.

- Concurrently, the group is also purchasing up to RM20.0 mln worth of HSSB's redeemable convertible preference shares (RCPS), subject to a minimum cash subscription of RM15.0 mln. GFM will also subscribe to a RM1 call option, which gives the group the right to acquire up to a 2.0% stake (or up to 117,648 shares) in HSSB at 51.0 sen per share. The acquisition is expected to be completed in 1H2020.
- The RCPS, which will be funded through a combination of internal funds, equity financing and or borrowings, will also provide a fixed dividend rate of 6.0% per annum to GFM. (The Star Online)
- **Scientex Bhd** is planning to acquire 18 parcels of leasehold agriculture land in Kota Tinggi, Johor from **Fiamma Holdings Bhd**. The 85.7 acres of land, which will be funded by internal funds and bank borrowings, is earmarked for a mixed property development project and is expected to be completed in 1H2020.
- Separately, Scientex's 1QFY20 net profit jumped 50.9% Y.o.Y to around RM81.0 mln, from RM53.7 mln, on the back of improved sales from its manufacturing and property divisions, while revenue rose 22.9% Y.o.Y to RM877.4 mln compared to RM713.6 mln last year. (The Star Online)
- **Top Glove Corp Bhd**'s 1QFY20 net profit inched higher by 1.2% Y.o.Y to RM111.4 mln vs RM110.1 mln in the last corresponding period, driven by increased contribution from the nitrile glove segment. Quarterly revenue, however, slightly weakened by 4.2% Y.o.Y to RM1.21 bln, from RM1.26 bln last year. (The Edge Daily)

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