

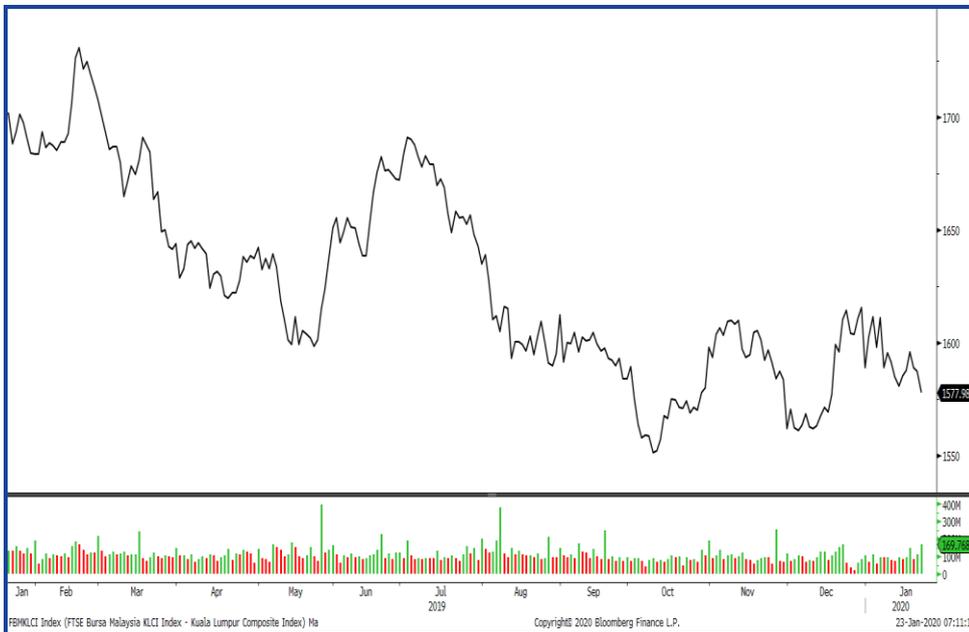
# Market Pulse

Thursday, 23 Jan, 2020

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

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## FBM KLCI – Daily



## Market Scorecard

	Close 22-Jan-20	Change %
FBM KLCI	1,577.98	-0.59
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,277.71	-0.37
FBM 100	11,061.30	-0.41
FBM Fledgling	15,426.70	1.02
FBM Small Cap	14,308.49	0.31
FBM ACE	5,638.07	0.05
FBM Shariah	12,013.69	0.17
FBM MidS Cap	15,790.38	0.46
FBM MidS (Shariah)	15,038.38	0.51
Market Participation		
Trading Volume (mln)	3,075.0	15.6
Trading Value (RM mln)	2572.4	33.2
FKLI Spot Futures	1,578.00	-0.79
FKLI Forward Futures	1,580.00	-0.75

## Downward Bias Consolidation

- The FBM KLCI (-0.6%) endured a choppy trading session before closing in the negative territory, dragged down by weakness in selected banking heavyweights following Bank Negara's unexpected move to trim the benchmark interest rate by 25 basis points to 2.75%. The lower liners – the FBM Small Cap (+0.3%), FBM Fledgling (+1.0%) and FBM ACE (+0.1%), however, all advanced, while the broader market closed mostly higher.
- Market breadth remained negative as decliners overpowered the advancers on a ratio of 5-to-4 stocks. Traded volumes, however, climbed 15.6% to 3.07 bln shares on sustainable buying interest amongst the lower liners.
- Banking giants like Hong Leong Bank (-56.0 sen), Public Bank (-46.0 sen) and CIMB 9-10.0 sen) sank on Bank Negara's move to cut the overnight policy rate, while KLK and Malaysia Airport Holdings fell 24.0 sen and 23.0 sen respectively. Broader market losers were Dutch Lady (-RM1.00), Panasonic (-90.0 sen), BIBM (-14.0 sen), Mega First Corporation (-14.0 sen) and KLCC (-10.0 sen).
- Amongst the biggest gainers on the broader market were Carlsberg (+54.0 sen), Fraser & Neave (+52.0 sen), KESM Industries (+42.0 sen) and UWC (+33.0 sen). Powerwell added 3.5 sen on its debut on Bursa Malaysia. Glove manufacturers like Top Glove (+32.0 sen) and Hartalega (+25.0 sen) remained upbeat, while Nestle (+30.0 sen), IHH (+6.0 sen) and PBB Group (+4.0 sen) advanced.
- Asia benchmark indices rebounded from the recent pullback as the Nikkei rose 0.7% as investors re-assess on the

Dow Jones	29,186.27	-0.03
S&P 500	3,321.75	0.03
NASDAQ	9,383.77	0.14
FTSE 100	7,571.92	-0.51
DAX	13,515.75	-0.30
CAC 40	6,010.98	-0.58
FTSE STI	3,253.93	0.21
Shanghai Composite	3,060.75	0.28
Hang Seng Index	28,341.04	1.27
Nikkei 225	24,031.35	0.70
WTI Crude Oil (USD)	56.15	-1.04
Brent Spot (USD)	63.21	-2.14
Gold (USD)	1,558.89	0.01
CPO (RM)	2,973.00	2.98
USD	4.07	0.15
GBP	5.31	-0.13
EURO	4.5044	0.27
SGD	3.0123	0.14
YEN	27.0530	-0.19

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recent Wuhan pneumonia appears to be notably lesser than SARS in 2002. The Hang Seng Index gained 1.3%, while the Shanghai Composite added 0.3%. ASEAN stockmarkets, meanwhile, closed mostly higher yesterday.

- U.S. stockmarkets closed mixed as the Dow (-0.03%) closed in the negative territory after erasing all its' intraday gains as investors digested a slew of corporate earnings. On the broader market both the S&P 500 (+0.1%) barely hold onto its' gains, supported by the technology sector (+0.4%), while the Nasdaq also finished 0.1% higher.
- European benchmark indices – the FTSE (-0.5%), CAC (-0.6%) and DAX (-0.3%), all retreated on concern over the coronavirus outbreak. Market sentiment was also affected by European Commission President Ursula von der Leyen remarks on, U.S. President Donald Trump move to threaten to levy tariffs on European car imports in the absence of renewed trade commitments from the bloc.

## THE DAY AHEAD

- The FBM KLCI bucked the mostly performance across its' regional peers, dragged down by the selling activities in banking shares. This follows after Bank Negara's move unexpectedly trim its benchmark interest rates to combat the sluggish economic growth. The weakness may linger amid the potential contraction as investors continue to assess the impact of the aforementioned event, slumping crude oil prices and the weakness on Wall Street.
- The FBM KLCI may continue to trade in a range bound mode with downward bias momentum as the 1,570 level will serve as the immediate support, followed by

the 1,550 level. A recovery, meanwhile, is expected to be mild with gains capping at the 1,590 level.

- On the broader market, traders may continue to capitalise on the recent positive performance demonstrated by lower liners. At the same time, the healthcare sector continues to demonstrate resilience as the number of casualties from the coronavirus outbreak increased.

## COMPANY BRIEF

- **Digi.Com Bhd's** 4Q2019 net profit fell 9.2% Y.o.Y to RM342.9 mln, from RM377.8 mln a year earlier, weighed down by weaker prepaid revenue, higher depreciation, amortisation and impairment expenses, as well as higher finance cost, even as postpaid income grew. Quarterly revenue, however, grew to RM1.68 bln vs RM1.67 bln a year ago. (The Star Online)
- **Kim Teck Cheong Consolidated Bhd** has secured the exclusive right to use the Gardenia trademark in Sabah, Sarawak and Indonesia, after signing two separate licence agreements with the registered trademark holders.
- The first agreement will enable the group to operate the business of manufacturing bread, cakes and ice cream under the trademark, as well as to transport, supply and distribute the same in Sabah and Sarawak.
- The second agreement, meanwhile, allows Gardenia Bakeries to do the same business in Indonesia, and will help the group to further expand its portfolio of distribution of third party brands and products across the country. (The Edge Daily)

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- **Gadang Holdings Bhd**'s 2QFY20 net profit trimmed 36.3% Y.o.Y to RM10.9 mln, from RM17.0 mln in the same quarter last year, mainly due to fair value loss on quoted investments that amounted to RM3.2 mln, coupled with lower construction earnings. Revenue, however, rose 17.3% Y.o.Y to RM197.7 mln, from RM168.5 mln previously.
- For the cumulative 1HFY20, net profit also fell 23.5% Y.o.Y to RM25.7 mln, from RM33.6 mln in the previous year, although revenue rose 16.0% Y.o.Y to RM345.3 mln, from RM297.7 mln last year. (The Edge Daily)
- Continuous growth in Gurney Plaza, Penang, and East Coast Mall in Kuantan have helped **CapitaLand Malaysia Mall Trust** (CMMT) offset lower contribution from its Klang Valley malls that have been hit by growing competition.
- Both malls collectively accounted for about 75.0% of CMMT's net property income (NPI), but their improved performance was unable to offset lower occupancies and rental rates as well as downtime at Klang Valley malls, resulting in a 6.0% Y.o.Y drop in 2019 net property income to RM202.0 mln. Meanwhile, full-year revenue also inched 2.2% Y.o.Y lower to RM342.3 mln against RM350.2 mln last year. (The Star Online)
- **TSR Capital Bhd** is disposing its freehold land in Mutiara Damansara, Petaling Jaya measuring 5,078 sqm for RM48.1 mln, to Inwin Properties Sdn Bhd. In-line with its asset rationalisation plan, the sale is expected to result in a loss of RM4.0 mln to TSR Capital. (The Edge Daily)
- **LBS Bina Group Bhd** has sold off its entire 9.7% equity stake in China-based Zhuhai Holdings Investment Group Ltd for HK\$164.5 mln (RM86.1 mln). The group concurred that the disposal will result in a loss of HK\$4.2 mln (RM2.2 mln), but added that it had received dividends from Zhuhai Holdings since 2014 totalling HK\$20.8 mln (RM10.9 mln). Subsequently, sales proceeds will be used to pare bank borrowings and fund working capital needs. (The Edge Daily)
- **Leader Steel Holdings Bhd** is planning to buy a piece of freehold land in Klang for RM30.7 mln to expand its manufacturing-cum-warehouse facility. The 3.5 mln sq ft land will be acquired from Kapar Holding Sdn Bhd and is expected to help the group expand its business to other regions in Peninsular Malaysia and its export markets, due to excellent public infrastructure and its proximity to Port Klang. (The Edge Daily)

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