

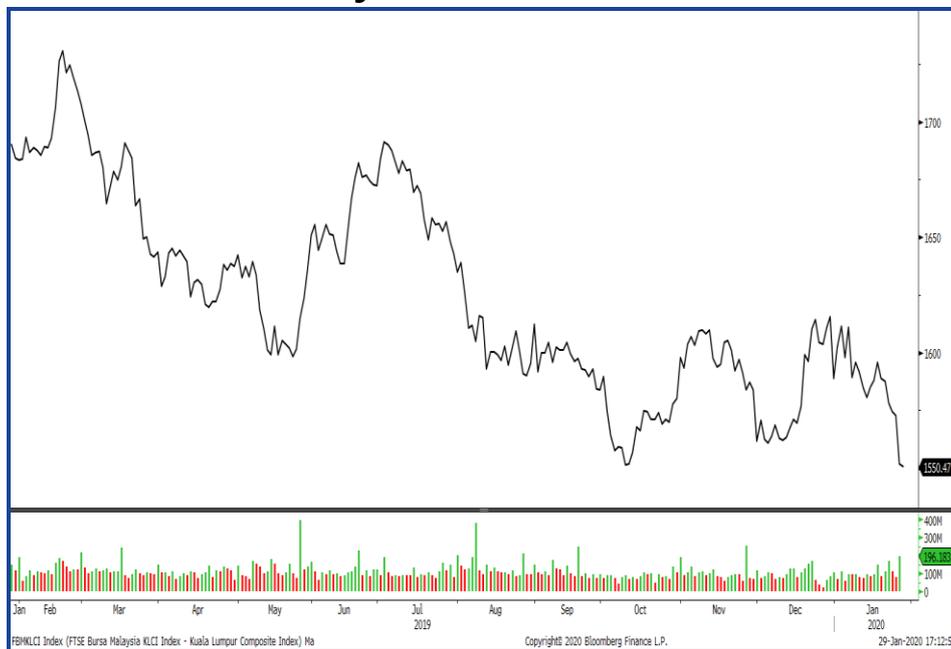
Market Pulse

Thursday, 30 Jan, 2020

M⁺Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 29-Jan-20	Change %
FBM KLCI	1,550.47	-0.08
52-W High	1,732.27	
52-W Low	1,545.63	
FBM EMAS	11,079.62	0.09
FBM 100	10,870.62	0.04
FBM Fledgling	15,213.89	-0.10
FBM Small Cap	13,969.78	1.05
FBM ACE	5,635.79	1.22
FBM Shariah	11,784.28	-0.10
FBM MidS Cap	15,482.11	0.99
FBM MidS (Shariah)	14,768.62	1.15
Market Participation		
Trading Volume (mln)	2,693.0	-20.0
Trading Value (RM mln)	2552.8	-11.6
FKLI Spot Futures	1,550.00	0.36
FKLI Forward Futures	1,551.00	0.36

Outlooks Remains Choppy

- The FBMKLCI continued its downtrend momentum after gyrating in and out of the negative territory. In contrast, most of the lower liners rebounded although the FBM Fledgling (-0.1%) bucked the general sentiment and closed in the red. Broader market was also mostly positive, with the exception of the Construction (-0.3%), REITs (-0.5%), Energy (-0.5%) and Healthcare (-2.1%) sub-sectors.
- Market breadth turned positive as advancers overturned the decliners on a ratio of 513-to-392 stocks. Traded volumes, however, fell 20% to 2.69 bln shares as investors adopted a wait-and-see approach amid the lack of fresh trading catalyst.
- Hartalega (-21.0 sen) and Top Glove (-16.0 sen) were amongst the heavyweights' losers, dragged down by profit-taking activities, followed by Petronas Dagangan (-52.0 sen), Tenaga Nasional (-18.0 sen) and Kuala Lumpur Kepong (-12.0 sen). Broader market underperformers, meanwhile, were Panasonic Manufacturing (-48.0 sen), Icon Offshore (-22.5 sen), Hong Leong Industries (-17.0 sen), Shangri-La Hotels (-14.0 sen) and Fraser & Neave (-12.0 sen).
- On the flipside side, sin-stocks like BAT (+RM1.30), Carlsberg (+88.0 sen) and Heineken Malaysia (+50.0 sen) rallied, alongside Vitrox (+37.0 sen) and Time Dotcom (+25.0 sen). Leading the blue-chip gauge were Malaysia Airports (+31.0 sen), Axiata (+10.0 sen), PPB Group (+6.0 sen), Genting (+5.0 sen) and Dialog (+4.0 sen).
- Hong Kong equities tanked after investors returned from the Lunar New

Dow Jones	28,734.45	0.04
S&P 500	3,273.40	-0.09
NASDAQ	9,275.16	0.06
FTSE 100	7,483.57	0.04
DAX	13,345.00	0.16
CAC 40	5,954.89	0.49
FTSE STI	3,182.57	0.04
Shanghai Composite	2,976.53	-2.75
Hang Seng Index	27,160.63	-2.82
Nikkei 225	23,379.40	0.71
WTI Crude Oil (USD)	53.17	-0.30
Brent Spot (USD)	59.81	0.50
Gold (USD)	1,577.03	0.01
CPO (RM)	2,723.00	5.75
USD	4.08	0.14
GBP	5.31	0.02
EURO	4.4885	0.26
SGD	3.0013	0.14
YEN	26.7380	-0.26

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Year break, while the Hang Seng Index (-2.8%) fell, dragged down by losses in airlines-related stocks. The Nikkei reversed Tuesday's losses, while China markets remained closed. Other ASEAN stockmarkets, meanwhile, closed mixed.

- Major U.S. bourses closed with minor gains after the FOMC kept its interest rates policy unchanged, while the earnings season rolls on. The Dow and the Nasdaq gave up earlier gains but managed to close in the positive territory, while the S&P 500 fell 0.1%, weighed down by losses in chipmaker Xilinx.
- Notable European benchmark indices – the FTSE, the DAX and the CAC finished higher as investors took a breather from the coronavirus fears, tracking the recovery in Wall Street and improving consumer sentiment in selected Eurozone members.

THE DAY AHEAD

- The FBM KLCI remain downbeat as the key index underperformed the mostly positive performance across its' regional peers, dragged down by the pullback in index-linked glove manufacturers. For now, investors remain cautious on the economic impact from the coronavirus outbreak. Gains on Wall Street are also lacklustre as markets still on the move to find stability.
- With the lack of fresh leads, we reckon that the key index continue to trade in a downward bias momentum with the key index already re-testing the 1,550 key support level. A fall beyond the aforementioned level will see the key index tumbling to fresh four-year low towards the 1,535 level or even the 1,500 psychological level. Any recovery is expected to be insignificant with gains limited towards the 1,575 for the time

being.

- The lower liners and broader market shares managed to recover some of their previous session's sharp selldown as bargain hunting activities took precedence. However, we expect gains to be choppy as investors would be quick to lock it their profits until market condition stabilise.

COMPANY BRIEF

- **Kejuruteraan Asastera Bhd** (KAB) has secured a RM20.0 mln contract from Kerjaya Prospek Group Bhd for the supply, delivery, installation, testing and commissioning of electrical services at a mixed-use development in Puchong, Selangor. Work commenced on 29th January 2020 and is scheduled for completion by 1st November 2022. The Bloomsvale project comprises of two blocks with 53 storeys each and a third block with 25 storeys. (The Star Online)
- **AirAsia Group Bhd** has recorded a 8.8% Y.o.Y increase in the number of passengers carried to 13.2 mln in 4Q2019. In the same period, the carrier's capacity expanded by 11.4% Y.o.Y to 16.0 mln passengers, driven by large increases in Indonesia and the Philippines. However, load factor, which is the number of passengers carried as a percentage of capacity, dipped slightly to 82%, from 84% due to the increased capacity. (The Edge Daily)
- **AirAsia X Bhd** has reported a 8.0% Y.o.Y increase in its passenger volume to 1.6 mln in 4Q2019, with seat capacity rising 4.0% Y.o.Y to 2.0 mln seats during the

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quarter. The available seats per kilometre capacity inched up by 1.0% Y.o.Y to 9,211 mln, on the back of shorter stage length, following its network realignment exercise. (The Edge Daily)

- **Maxis Bhd** has signed a Memorandum of Understanding (MoU) with Microsoft (Malaysia) Sdn Bhd to create and provide innovative digital solutions for organisations in Malaysia. The parties will be collaborating in building smart utilities and other connected applications to drive economic growth and digitalisation in the country.
- Under the collaboration, Maxis will leverage Microsoft Azure public cloud and Azure Stack services to enhance Maxis' cloud services to meet the needs of businesses, and the telecommunication company will also adopt Microsoft's modern workplace solutions, among others. (The Edge Daily)
- **Paramount Corporation Bhd** has received the green light from shareholders, as well as the Ministry of Education, to divest its controlling stake of its K-12 education business for an indicative price of RM540.5 mln. Paramount is selling majority stakes in Paramount Education Sdn Bhd (PESB), Paramount Education (Klang) Sdn Bhd (PEKSB) and Sri KDU Sdn Bhd (Sri KDU) to Prestigion Education Sdn Bhd (formerly known as Two Horses Capital Sdn Bhd). Paramount will retain an effective 20.0% stake in the pre-tertiary education business.
- With the cash in hand, the group plans to distribute RM177.0 mln or 40.8 sen per share to its shareholders in the form of a special dividend. It will also use RM150.0 mln to acquire new land banks. Another RM133.7 mln will be used to pare down borrowings, and the rest will be for working capital. On a pro-forma basis, the gain arising from the disposal is estimated at RM487.8 mln. (The Edge Daily)
- **Malaysia Airports Holdings Bhd** (MAHB) is piloting its Single Token Journey concept at the Kuala Lumpur International Airport. The concept leverages on facial recognition technology to provide passengers with a single identification verification which is used at all airport touchpoints from check-in to the boarding gate.
- Passengers travelling to Japan were the first to experience the concept, which is being piloted for three months in collaboration with Malaysia Airlines Bhd and aviation information technology company SITA. (The Edge Daily)
- The call by certain shareholders of **London Biscuits Bhd** to convene an extraordinary general meeting on 31st January 2020 has been rendered invalid by the appointment of a liquidator. As London Biscuits has been wound up by the High Court, the shareholders no longer have the power to pass resolutions in general meetings that could result in a change in the management of the company. (The Edge Daily)

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