

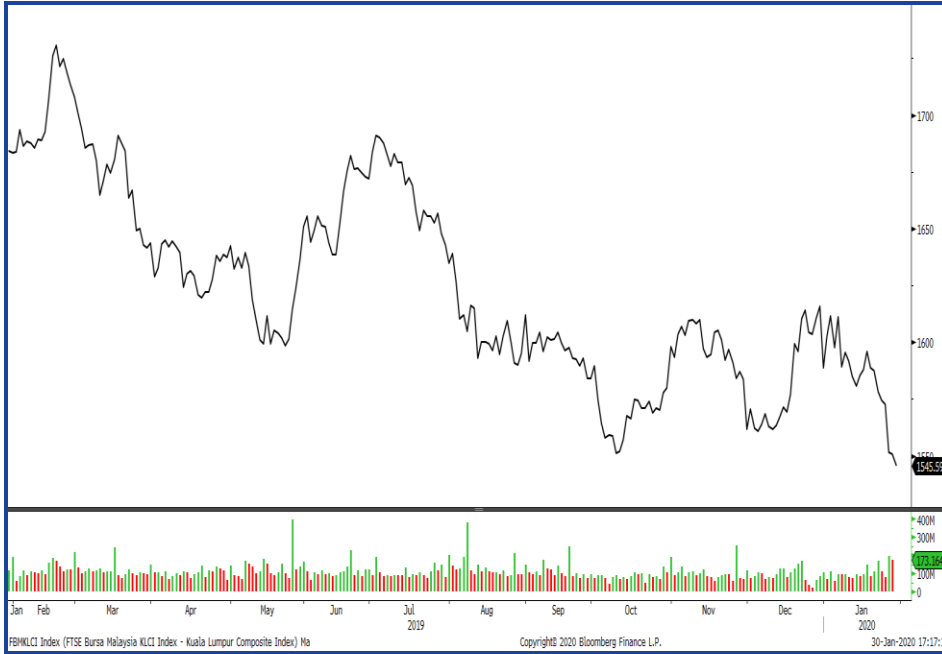
# Market Pulse

Friday, 31 Jan, 2020

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

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## FBM KLCI – Daily



## Market Scorecard

	Close 30-Jan-20	Change %
FBM KLCI	1,545.59	-0.31
52-W High	1,732.27	
52-W Low	1,540.71	
FBM EMAS	11,029.97	-0.45
FBM 100	10,826.78	-0.40
FBM Fledgling	15,019.30	-1.28
FBM Small Cap	13,789.11	-1.29
FBM ACE	5,621.22	-0.26
FBM Shariah	11,713.01	-0.60
FBM MidS Cap	15,280.69	-1.30
FBM MidS (Shariah)	14,581.62	-1.27
Market Participation		
Trading Volume (mln)	2,809.0	4.3
Trading Value (RM mln)	2316.0	-9.3
FKLI Spot Futures	1,546.00	-0.26
FKLI Forward Futures	1,547.50	-0.23

## Potential Bargain-Hunting

- The FBM KLCI closed lower after lingering mostly in the negative territory; tracking the dour sentiment in regional markets and extended weakness in energy prices. All the lower liners – the FBM Small Cap (-1.3%), the FBM Fledgling (-1.3%) and the FBM Ace (-0.3%) took a beating, while eleven-of-twelve sectors retreated.
- Market breadth was also bearish as decliners more than doubled the advancers, albeit traded volumes rose 4.3% to 2.81 bln shares following the sell-down in the lower liners.
- Petronas-affiliated heavyweights like Petronas Gas (-30.0 sen) and Petronas Chemicals (-13.0 sen) retreated amid weaker crude oil prices, followed by Kuala Lumpur Kepong (-22.0 sen), Public Bank (-10.0 sen) and Hartalega (-9.0 sen). Other decliners, meanwhile, were KESM Industries (-48.0 sen), Batu Kawan (-28.0 sen), United Plantations (-16.0 sen) and Vitrox (-16.0 sen). Bursa Malaysia (-18.0 sen) also fell after reporting downbeat quarterly earnings.
- On a more positive note, Fraser & Neave (+RM1.04), Carlsberg (+78.0 sen), Dutch Lady (+60.0 sen), BAT (+38.0 sen) and Panasonic Manufacturing (+30.0 sen). Main Board chart-toppers include Petronas Dagangan (+22.0 sen), Nestle (+20.0 sen), Malaysia Airports (+19.0 sen), Sime Darby (+5.0 sen) and Top Glove (+5.0 sen).
- Asian shares tumbled on concerns of potentially slower global growth following the increasingly severe outbreak of the coronavirus. The Nikkei fell 1.7%, dragged down information tech and consumer stocks, together with the Hang Seng Index (-2.6%), while

Dow Jones	28,859.44	0.43
S&P 500	3,283.66	0.31
NASDAQ	9,298.93	0.26
FTSE 100	7,381.96	-1.36
DAX	13,157.12	-1.41
CAC 40	5,871.77	-1.40
FTSE STI	3,170.68	-0.37
Shanghai Composite	2,976.53	-2.75
Hang Seng Index	26,449.13	-2.62
Nikkei 225	22,977.75	-1.72
WTI Crude Oil (USD)	52.87	1.40
Brent Spot (USD)	58.29	-2.54
Gold (USD)	1,574.85	0.04
CPO (RM)	2,652.00	-2.61
USD	4.09	-0.23
GBP	5.31	-0.04
EURO	4.5051	-0.37
SGD	3.0008	0.02
YEN	26.6270	0.42

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the ASEAN markets closed mostly in the red.

- Wall Street reversed earlier losses as investors digested a series of corporate earnings update. The Dow gained 0.4% to 28,859.4 points, while both the Nasdaq and the S&P 500 added 0.3% amid recovery in selected tech majors.
- U.K. shares mainly retreated as the FTSE fell 1.4%, weighed down by weaker-than-expected earnings performance by Royal Dutch Shell amid political uncertainties. The DAX and CAC, meanwhile, closed down by 1.4% each.

## THE DAY AHEAD

- There was no reprieve on the local bourse as the FBM KLCI remained in the red alongside with its' regional peers impacted by the World Health Organisation move to declare the coronavirus as global health emergency. The move came after the aforementioned virus spread across the continent with death tolls continues to rise.
- Although the worrying trend continue to persist over the aforementioned outbreak, we think that bargain hunting activities may take precedence as the local bourse looks to end the week on a stronger footing. Gains, however, is expected to be mild as the key index looks to rebound towards the 1,560 level. With the 1,550 key support level could not be defended, down risk will be located towards the 1,535 or even the 1,500 psychological support level.
- The lower liners and broader market shares were unable to build onto their

previous session gains, largely impacted by the sell-down across global equities. For now, we think that weakness may persist as global equities attempts to find stability.

## COMPANY BRIEF

- **Bursa Malaysia Bhd's** 4Q2019 net profit dropped 12.2% Y.o.Y to RM45.6 mln, due to lower segment profits recorded during the quarter. Revenue for the quarter, however, was flat at RM129.3 mln.
- For 2019, cumulative net profit fell 17.0% Y.o.Y to RM185.9 mln. Revenue for the year declined 8.6% Y.o.Y to RM502.5 mln. (The Star Online)
- **Sime Darby Plantation Bhd** has completed the refinancing of credit facilities worth RM3.90 bln in December 2019 on marginally improved terms. The financing facilities secured by the group in December consist of foreign currency term loans of US\$830.0 mln and a RM500.0 mln term loan.
- In line with the group's aspiration to refinance its existing facilities with Islamic financing, approximately 81.-% of the facilities was secured via Shariah compliant instruments in this recent refinancing exercise. The refinancing exercise was undertaken to review SDP group's loan portfolio and to balance its debt maturity profile to be in line with cash flow expectations, while taking advantage of attractive market rates. (The Star Online)
- **Lotte Chemical Titan Holding Bhd's** (LCT) 4Q2019 net profit surged 26.0x Y.o.Y to

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RM187.8 mln, mainly due to a one-off gain on the disposal of equity interest and lower write down of inventories. Revenue for the quarter, however, fell 15.5% Y.o.Y to RM1.97 bln.

- For 2019, cumulative net profit slipped 43.9% Y.o.Y to RM439.7 mln. Revenue for the year dropped 8.7% Y.o.Y to RM8.44 bln. (The Edge Daily)
- **E.A. Technique (M) Bhd** (EATech) is bullish on this year's performance with an improvement of between 30% and 40% in its bottom line. Revenue from projects secured in 2019 is expected to transpire in the current financial year. EATech secured combined contracts valued at more than RM500.0 mln in 2019, including an Operation and Maintenance (O&M) contract from Petronas Carigali Sdn Bhd's subsidiary Vestigo Petroleum Sdn Bhd, worth about RM20.0 mln annually. The company ended the last decade on a positive note, with its order book standing at RM1.3 bln. (The Edge Daily)
- **Pestech International Bhd** has called off its partnership with a Japanese renewable energy power plant developer for a potential joint investment under the third cycle of the large scale solar (LSS3) scheme. The Memorandum of Understanding (MoU) signed by its wholly-owned subsidiary Pestech Power Sdn Bhd with Japanese outfit RS Renewable KK in March 2019 has been mutually terminated as it did not achieve the intended purpose of the MoU. (The Edge Daily)
- **Scomi Group Bhd** has reported that the High Court has approved the winding-up

of its wholly-owned subsidiary **Scomi Engineering Bhd**. Scomi Group does not intend to contest the winding-up order. The court appointed lawyer Lim Tian Huat of Messrs Rodgers Reidy & Co as the liquidator of Scomi Engineering, with costs to be paid out of the subsidiary's assets. (The Edge Daily)

- Ooi Chieng Sim, the executive chairman of **Heng Huat Resources Group Bhd** and **ATTA Global Group Bhd**, was among eight men charged with drug trafficking at the Magistrate's Court in Bukit Mertajam on 30th January 2020. The eight men were charged with trafficking 4,980 grammes of methamphetamine at a warehouse by the side of Atta Global's premises in the Perai Industrial Estate at about 10.30am on 16th January 2020. They were charged under Section 39B of the Dangerous Drugs Act 1952 and face the death penalty or a life sentence if convicted. (The Edge Daily)

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