

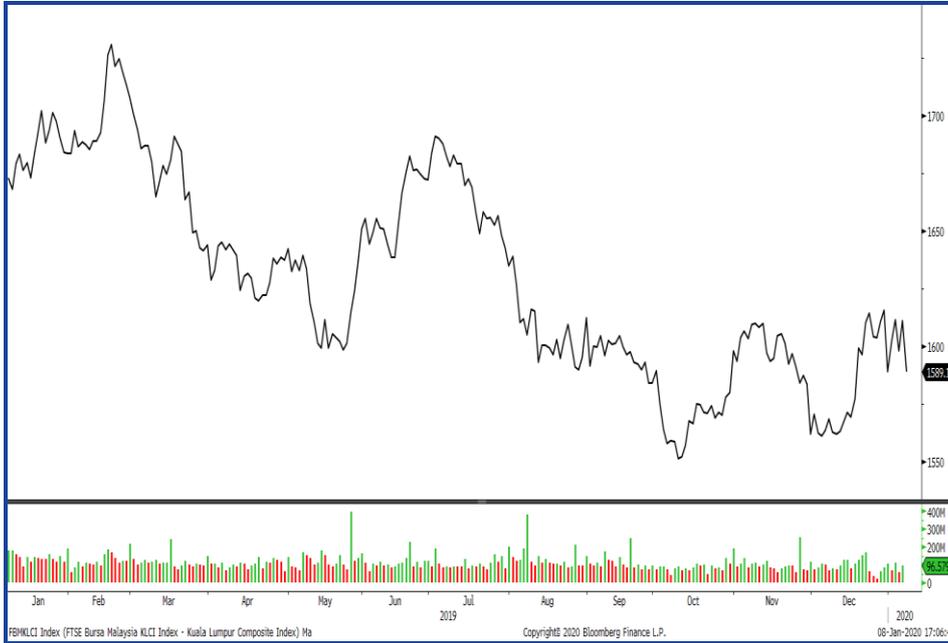
Market Pulse

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M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 8-Jan-20	Change %
FBM KLCI	1,589.10	-1.36
52-W High	1,732.27	
52-W Low	1,548.45	
FBM EMAS	11,305.66	-1.33
FBM 100	11,107.80	-1.28
FBM Fledgling	15,054.04	-1.76
FBM Small Cap	13,882.40	-2.18
FBM ACE	5,380.65	-1.35
FBM Shariah	11,950.26	-1.14
FBM MidS Cap	15,219.26	-2.25
FBM MidS (Shariah)	14,409.32	-2.17
Market Participation		
Trading Volume (mln)	3,862.0	29.3
Trading Value (RM mln)	2225.6	23.8
FKLI Spot Futures	1,597.00	-1.08
FKLI Forward Futures	1,599.00	-1.05

Bargain Hunting Is Expected

- The FBM KLCI plunged at the opening bell on escalated U.S.-Iran tensions following Iran's recent missile attacks against Washington's troops in Iraq. All the lower liners took a beating; the worst hit was the FBM Small Cap (-2.2%), alongside all the broader market sub-sectors, which closed in the red.
- Market breadth was bearish as losers beat the winners by more than five times, although traded volumes jumped sharply by 29.3% to 3.86 bln shares amid panic selldown in equities as investors retreat to safe haven assets.
- Blue-chips that weighed on the Main Board were Nestle (-RM1.30), Public Bank (-52.0 sen), PPB Group (-52.0 sen), Hong Leong Financial Group (-44.0 sen) and Kuala Lumpur Kepong (-44.0 sen), while broader market decliners include Dutch Lady (-RM1.00), Fraser & Neave (-70.0 sen), Allianz (-54.0 sen), Panasonic Manufacturing (-52.0 sen) and Heineken Malaysia (-36.0 sen).
- Gold maker like Poh Kong (+16.5 sen) and Tomei (+12.5 sen) closed strongly higher as gold prices soared to record highs amid fears of a full-blown U.S.-Iran war. Other broader market gainers were Rapid Synergy (+14.0 sen), NPC Resources (+12.0 sen) and Kejuruteraan Asastera (+9.0 sen). The only three heavyweights to survive Wednesday's massacre was Press Metal (+10.0 sen), Maxis (+5.0 sen) and Petronas Dagangan (+2.0 sen).
- Major regional stocks declined after Iran launched multiple missiles at U.S. air bases located in Iraq in retaliation of the death of Iranian military officer, Qasem Soleimani. The Hang Seng Index and the Nikkei clawed back some losses but

Dow Jones	28,745.09	0.56
S&P 500	3,253.05	0.49
NASDAQ	9,129.24	0.67
FTSE 100	7,574.93	0.01
DAX	13,320.18	0.71
CAC 40	6,031.00	0.31
FTSE STI	3,245.89	-0.06
Shanghai Composite	3,066.89	-1.22
Hang Seng Index	28,087.92	-0.83
Nikkei 225	23,204.76	-1.57
WTI Crude Oil (USD)	59.94	0.55
Brent Spot (USD)	65.44	-4.15
Gold (USD)	1,557.43	0.06
CPO (RM)	3,041.00	-0.03
USD	4.10	-0.22
GBP	5.40	-0.09
EURO	4.5680	0.19
SGD	3.0384	-0.08
YEN	26.4370	0.25

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remained in the negative territory, while the Shanghai Composite fell 1.2%, with most of its constituents painted red. Similarly, the ASEAN stockmarkets also posted losses on Wednesday's close.

- Tech majors helped Wall Street to recover its previous losses after a measured response from President Donald Trump against Iran's latest missile strikes soothed fears of a broader conflict between both countries. The Dow rose 0.6% but gains were limited by the weakness in Boeing following an aircraft accident in Iran. The S&P 500 gained also 0.5%, while The Nasdaq hit record highs, boosted by gains Apple and Microsoft.
- Earlier, main European bourses also finished with minor gains on easing geopolitical fears, despite losses in O&G-related shares as crude oil prices tanks. The FTSE came in flat, while the DAX and the CAC ended higher by 0.7% and 0.3% respectively.

THE DAY AHEAD

- The dour sentiments arising from the escalating geopolitical tension in the Middle East dominated market conditions yesterday to bring the key index back to around the 1,590 level. We think that the steeper-than-expected selling activities are overdone and this may prompt quick bargain hunting on the FBM KLCI.
- After yesterday's retreat, conditions on Bursa Malaysia are looking frail again, but the overnight recovery on the key global indices may provide some alleviation to the FBM KLCI's near term performance, in our view. Hence, mild bargain hunting may shore the key index towards the 1,600 psychological level or even towards the 1,615 level. At the same time, the immediate support is pegged at the 1,575 level.

- The lower liners and broader market shares also faced with similar consequences amid the dour market conditions. As it is, retail players were quick to offload their holdings and may only return once conditions calm down, in our opinion.

COMPANY BRIEF

- Datuk Razali Mohd Yusof, who emerged as a key shareholder in **Datasonic Group Bhd** in December 2019, has upped his stake in the technology firm. Razali's vehicle, Demi Mekar Sdn Bhd now has a 6.5% stake in the group after acquiring an earlier 3.9% stake on 18th December 2019.
- Demi Mekar had acquired 87.2 mln shares on 2nd January 2020. It has been speculated that there could be a revamp in the group's top management following the recent changes in its shareholding. The group's long-serving Managing Director (MD) Datuk Abu Hanifah Noordin is expected to step down. (The Star Online)
- **Radiant Globaltech Bhd** has teamed up with Simat Technologies Pcl to set up a new joint venture firm in Thailand, as the Malaysian company seeks to expand its retail technology (IT) business in the neighbouring market. The two parties plans to set up a special purpose vehicle (SPV) for the sale of business computer hardware, software, network equipment, development of information technology solutions and maintenance services in Thailand.
- The SPV will have an initial paid up share capital of 10.0 mln bahts comprising one mln ordinary shares. Radiant Globaltech will invest 4.9 mln bahts (RM700,000) for a 49.0% stake in the proposed JV company, while Simat Technologies will

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also inject 4.9 mln bahts for its 49.0% share. The remaining 2.0% will be held by three individuals: Ms. Phenpuk Chintanapat, Mr. Thammanoon Korkiatwanich and Mr. Thanapoom Khetraksa. (The Star Online)

- **Kerjaya Prospek Group Bhd's** property arm **Kerjaya Prospek Property Bhd** (formerly GSB Group Bhd) is buying five pieces of land along Jalan Puchong/Jalan Klang Lama here for a combined RM13.0 mln. The land will complement its existing Bloomsvale mixed development on Jalan Klang Lama. (The Edge Daily)
- **APFT Bhd** has aborted its plan to collaborate with Malaysian Aviation Training Academy Sdn Bhd (MATA), an aircraft maintenance academy, to provide training for aviation professionals in the country. The decision comes as its wholly-owned subsidiary APFT Aviation Sdn Bhd (AASB) had been served with a notice of application for interim injunction seeking to repossess its fleet of 16 aircraft. (The Edge Daily)
- **Dolphin International Bhd** has appointed Pelaburan Mara Bhd (PMB) group chief operating officer Tengku Ahmad Badli Shah Raja Hussin as its independent and non-executive director. Tengku Ahmad Badli Shah, 50, also currently holds directorship in **NetX Holdings Bhd**, **Fintec Global Bhd**, **PDZ Holdings Bhd**, PMB Investment Bhd and PMB Tijari Bhd. (The Edge Daily)
- **Goodway Integrated Industries Bhd** has a new substantial shareholder in lawyer Yee Wei Meng, who acquired 14.5 mln shares in an off-market transaction. Yee is likely to have bought his shares from Goodway's largest shareholder Ng Chee Siong, who sold off half of his shares or 14.5 mln in an off-market transaction on 8th January 2020.

- Following the transactions, Ng, who is also **Revenue Group Bhd** co-founder, MD and chief executive officer, now remains with an 11.9% stake in Goodway. (The Edge Daily)

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