

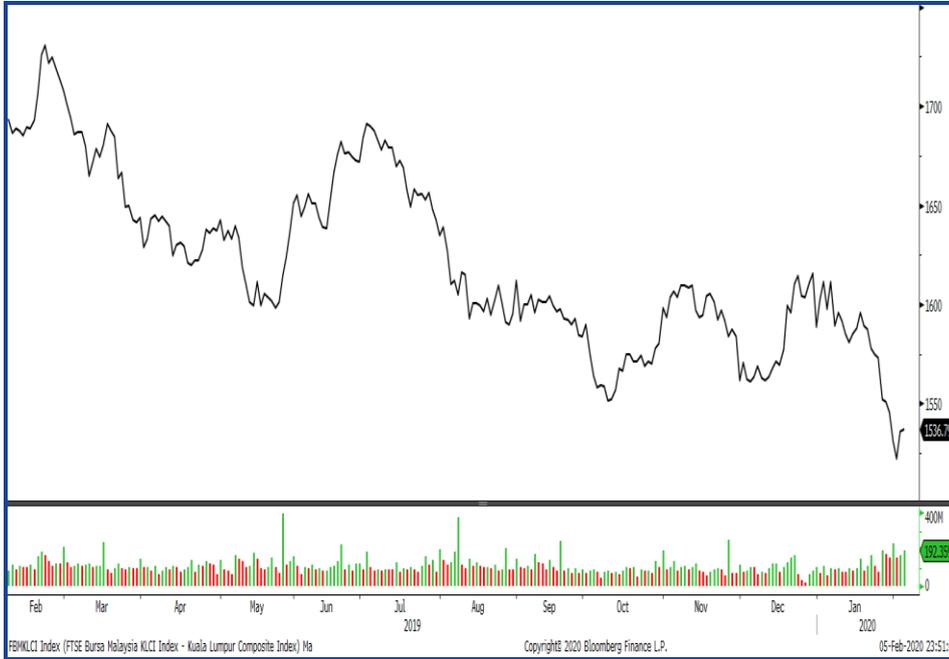
Market Pulse

Thursday, 06 Feb, 2020

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Market Scorecard

	Close 5-Feb-20	Change %
FBM KLCI	1,536.79	0.06
52-W High	1,732.27	
52-W Low	1,517.61	
FBM EMAS	10,937.34	0.32
FBM 100	10,745.25	0.27
FBM Fledgling	14,709.72	0.89
FBM Small Cap	13,446.24	1.28
FBM ACE	5,407.90	0.97
FBM Shariah	11,692.77	0.59
FBM MidS Cap	14,869.73	1.14
FBM MidS (Shariah)	14,193.39	1.29
Market Participation		
Trading Volume (mln)	3,061.91	0.54
Trading Value (RM mln)	2,684.43	4.71
FKLI Spot Futures	1,537.00	0.03
FKLI Forward Futures	1,529.50	-0.03

Lock-In Profits

- The FBM KLCI eked out mild gains after enduring a choppy session, in-tandem with the positive sentiment across the offshore markets. All the lower liners rallied as well – led by the FBM Small Cap (+1.3%), while the broader market finished mostly in the positive territory. The Financial Services and the REITs sub-sectors, however, slipped into the red in the eleventh hour.
- Market breadth stayed upbeat as winners outran the losers on a ratio of 514-to-344 stocks, while traded volumes inched higher by 0.5% to 3.06 bln shares, boosted by renewed interest in riskier assets.
- Key-index advancers consists of Kuala Lumpur Kepong (+56.0 sen), Malaysian Airport (+14.0 sen), Petronas Dagangan (+14.0 sen), Hong Leong Financial Group (+12.0 sen) and MISC (+11.0 sen).
- Other broader market winners, meanwhile, include KESM Industries (+31.0 sen), Ayer Holdings (+28.0 sen), UWC (+25.0 sen), Sarawak Oil Palms (+23.0 sen) and Carlsberg (+20.0 sen).
- On the downside, Hong Leong Industries (-14.0 sen), Kossan Rubber (-13.0 sen), Tong Herr Resources (-13.0 sen), Rapid Synergy (-12.0 sen) and Panasonic Manufacturing (-10.0 sen) retreated, while Public bank (-20.0 sen), Petronas Gas (-18.0 sen), Hap Seng Consolidated (-10.0 sen), Genting (-8.0 sen) and Hartalega (-6.0 sen) were also amongst the worst performing Main Board shares.
- Chinese equities outperformed its regional peers after the PBOC injected more than \$200 bln into the financial markets to increase liquidity. The Shanghai Composite jumped 1.3% to

Dow Jones	29,290.85	1.68
S&P 500	3,334.69	1.13
NASDAQ	9,508.68	0.43
FTSE 100	7,482.48	0.57
DAX	13,478.33	1.48
CAC 40	5,985.40	0.85
FTSE STI	3,200.13	1.38
Shanghai Composite	2,818.09	1.25
Hang Seng Index	26,786.74	0.42
Nikkei 225	23,319.56	1.02
WTI Crude Oil (USD)	51.22	0.93
Brent Spot (USD)	55.28	2.45
Gold (USD)	1,555.68	-0.02
CPO (RM)	2,804.00	5.10
USD	4.1170	-0.16
GBP	5.3798	-0.72
EURO	4.5525	-0.13
SGD	2.9854	0.51
YEN	26.5700	-0.22

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2,818.1 points, while the Hang Seng Index and the Nikkei rose 0.4% and 1.0% respectively, alongside majority of the ASEAN stockmarkets.

- Major U.S. stockmarkets rallied for the third straight session, albeit gains were capped by losses in Tesla after the electric car maker announced that Tesla's deliveries in February will be delayed due to production halts in China. The Dow (+1.7%), S&P 500 (+1.1%) and the Nasdaq (+0.4%) all closed positively on Wednesday.
- Key European bourses – the FTSE (+0.6%), the DAX (+1.5%) and the CAC (+0.9%) extended their gains, helped by better-than-expected Eurozone data and fresh corporate earnings releases.

THE DAY AHEAD

- Yesterday's recovery on the FBM KLCI was milder than anticipated as gains were capped by the weakness in selected banking and glove heavyweights. It remains to be seen if there will be follow-through buying interest as the market's undertone remain cautious which could still prompt quick profit taking actions.
- Nevertheless, the positive sentiment across global indices overnight, arising from the solid economic data from the world's largest economy, could see gains continue to take shape for the FBM KLCI to sustain its recovery. This could see index linked stocks marching higher, albeit we think that any gains is likely to be mild for now as the investors remain cautious on the developments over the coronavirus. We reckon that the 1,550 level is served as a strong resistance for the time being, followed by the 1,560 level. On the downside, the support is remained at the 1,515 level.

- The lower liners and broader market shares are finding some support after their recent slide and is likely to hold on to their gains over the near term. For now, traders will continue to capitalise on the recent positive market undertone with investors switching risk-on mode as demonstrated by the uptick in trading activities.

COMPANY BRIEF

- **Uzma Bhd** has entered into a deal to increase its stake in a profitable oil and gas subsidiary that provides well pumping and coil tubing services. Uzma would acquire an additional 1.0 mln shares in Setegap Ventures Petroleum Sdn Bhd (SVP) for RM52.8 mln cash.
- The purchase would be funded via bank borrowings. The deal to acquire the shares from SVP's founder Datuk Nasri Nasrun would raise Uzma's equity interest in Setegap from 64.0% to 86.0%. As at 29th January 2020, SVP has an order book of approximately RM700.0 mln to sustain earnings for the next five years. (The Star Online)
- **Careplus Group Bhd** is selling half of its stake in a wholly owned rubber glove manufacturing unit to Australian-listed Ansell Ltd for RM26.8 mln under a joint venture deal. The agreement also comes with an option for Ansell to acquire Careplus's remaining 50.0% stake in the joint venture company.
- Careplus would recognise a net gain of RM8.7 mln from the disposal and use proceeds from the stake sale as working capitals. (The Star Online)
- **AirAsia X Bhd** has set up a non-executive board committee to review Airbus bribery allegations involving two of its directors, following in the footsteps of its sister

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company AirAsia Group Bhd which had done so two days ago. AirAsia X will appoint an independent expert as part of the review, and the committee will exclude Tan Sri Tony Fernandes and Datuk Kamarudin Meranun, both non-executive directors implicated in the scandal over the period 2005-2014. (The Edge Daily)

- **Genting (M) Bhd's** unit Resorts World Genting continues to operate as normal amid the Wuhan coronavirus outbreak, but has cancelled all tour bookings from China for the month of February 2019. The resort has no recorded case of infected individuals so far and has deployed infrared thermal scanners throughout the premises. It also has two 24-hour medical clinics and six ambulances on standby. (The Edge Daily)

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