

Market Pulse

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M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Still Rangebound

- The FBM KLCI (+0.02%) mirrored the positive performance from its' regional peers after lingering in the positive territory, supported by gains in selected telco and banking heavyweights yesterday. The lower liners - the FBM Small Cap (+0.7%), FBM Fledgling (+0.6%) and FBM ACE (+3.2%), all advanced, while broader market ended mostly higher.
- Market breadth stayed positive as gainers outranked the losers on a ratio of 469-to-396 stocks. Traded volumes rose 10.5% to 5.18 bln shares amid the positive market sentiment.
- Leading the FBM KLCI winners list was Digi (+12.0 sen), followed by MISC (+10.0 sen), KLK (+10.0 sen), Nestle (+10.0 sen) and Sime Darby Plantations (+9.0 sen). Notable advancers on the broader market were Fraser & Neave (+40.0 sen), Sinotop Holdings (+22.0 sen), Heineken (+20.0 sen), MPI (+18.0 sen) and Sungei Bagan Rubber (+17.0 sen).
- On the other side of the trade, Petron Malaysia (-14.0 sen), Carlsberg (-12.0 sen), BIMB (-9.0 sen), KESM Industries (-9.0 sen) and Scientex (-9.0 sen). Key losers on the FBM KLCI include Petronas-related companies like Petronas Dagangan (-56.0 sen), Petronas Gas (-10.0 sen), Tenaga (-10.0 sen), Malaysia Airport Holdings (-7.0 sen) and Public Bank (-6.0 sen).
- Asia benchmark indices flourished on Monday as Nikkei (+2.7%) jumped on Bank of Japan's move to ramp up emergency monetary easing by purchasing more corporate debt and increasing purchases of other assets. Likewise, the Hang Seng Index (+2.0%)

Market Scorecard

	Close 27-Apr-20	Change %
FBM KLCI	1,370.16	0.02
52-W High	1,694.55	
52-W Low	1,207.80	
FBM EMAS	9,559.77	0.05
FBM 100	9,435.12	0.03
FBM Small Cap	10,706.38	0.65
FBM Fledgling	12,140.82	0.64
FBM ACE	4,588.13	3.12
FBM Shariah	10,596.43	-0.02
FBM MidS Cap	11,780.68	0.23
FBM MidS (Shariah)	11,290.93	0.08
Market Participation		
Trading Volume (mln)	5,182.69	10.46
Trading Value (RM mln)	2,238.24	-10.23
FKLI Spot Futures	1,377.00	0.47
FKLI Forward Futures	1,374.50	0.73

Dow Jones	24,133.78	1.51
S&P 500	2,878.48	1.47
NASDAQ	8,730.16	1.11
FTSE 100	5,846.79	1.64
DAX	10,659.99	3.13
CAC 40	4,505.26	2.55
FTSE STI	2,549.40	1.24
Shanghai Composite	2,815.50	0.25
Hang Seng Index	24,280.14	1.88
Nikkei 225	19,783.22	2.71
WTI Crude Oil (USD)	12.98	1.56
Brent Spot (USD)	19.99	-6.76
Gold (USD)	1,712.32	-0.10
CPO (RM)	2,018.00	-2.75

USD	4.3517	0.25
GBP	5.4177	-0.78
EURO	4.7276	-0.70
SGD	3.0707	-0.24
YEN	24.6010	0.30

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rebounded on gains from property stocks, while gains on the Shanghai Composite (+0.3%) were capped by the weak industrial profits data that plunged -34.9% Y.o.Y in March 2020. Asia stockmarkets, meanwhile, ended on an upbeat note yesterday.

- U.S. stockmarkets extended their gains as the Dow (+1.5%) re-claimed the 24,000 psychological level as the re-opening of economic activities boosted sentiment on the gradual recovery of economy growth. On the broader market, the S&P 500 also gained 1.5% with all eleven major sectors in the green, while the Nasdaq march 1.1% higher.
- Earlier, European stockmarkets - the FTSE (+1.6%), CAC (+2.6%) and DAX (+3.1%), all recovered their previous session losses as Italy prepares for re-opening part of the economy on 4th May 2020. The positive sentiment was also anchored by a string of stronger-than-expected earnings with the likes of Deutsche Bank (+11.4%).

THE DAY AHEAD

- The FBM KLCI remained in the consolidation band as gains were capped by persistent foreign fund outflow. The lack of fresh leads suggests that the sideways momentum on the FBM KLCI may linger for longer. At the same time, renewed weakness in the crude oil prices may also cap the gains on the local bourse.
- Amid the lack of fresh leads, we maintain no change to our views that the FBM KLCI will continue to linger between the 1,360 and 1,410 levels over the near term. A breakout above the upper consolidation band may power the key index towards the 1,420 and 1,455 levels. However, should the lower consolidation band fails

to hold, the key index may see further pullback towards the 1,340 level.

- The lower liners and broader market shares, however, were traded on a more upbeat manner as the positive sentiment continues to encourage rotational plays amongst the lower liners. We see this trend continuing as investors continue their quest on bargain hunt beaten down shares.

COMPANY BRIEF

- **Plenitude Bhd** is temporarily closing two of its hotels in Penang and one in Ipoh with effect from 27th April 2020 and it is also downsizing operations in its other hotels due to the Covid-19 pandemic. The hotels to temporary cease operations were Mercure Penang Beach, Penang, The Gurney Resort Hotel and Residences, Penang and Travelodge Ipoh. (The Star)
- **Boustead Heavy Industries Corp Bhd** (BHIC) is unaware of any arrangements leading to the unusual trading of its shares. It was responding to the claim by the National Patriots Association (Patriot) in a statement on 15th April 2020 that BHIC shares were sold at low prices, despite there being higher offers. (The Edge)
- **Parkson Holdings Bhd's** Cambodian unit has been ordered to pay US\$144.5 mln (about RM629.8 mln) in damages to its lessor, Hassan (Cambodia) Development Co Ltd (HCDC), as well as forfeit its security deposit and advance payments, following a lawsuit that HCDC initiated against the unit. The unit is Parkson (Cambodia) Co Ltd (PCCO), which is wholly-owned by Parkson's 68.0%-owned subsidiary, Parkson

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Retail Asia Ltd (PRA).

- The multi-million damage PCCO has to pay is "the rental fee for the whole period of the lease under the lease agreement" between PCCO and HCDC, according to Parkson. This is on top of the security deposits and advance of US\$4.5 mln that it has to forfeit. The verdict was delivered by Phnom Penh Municipal Court of First Instance on 22nd April 2020. (The Edge)
- **AirAsia Group Bhd** load factor stood at 80.0% for 1Q2020, beating its expectation of 77.0% and despite the weak travel demand due to travel restrictions amid the Covid-19 pandemic. This was achieved through proactive capacity management, mainly in February and March, with AirAsia Malaysia and AirAsia Thailand seeing the most notable cuts. The group's consolidated air operator certificates (AOCs) saw a steady load factor of 78%, while the number of passengers fell 21% Y.o.Y to 9.9 mln amid an 11% capacity cut. (The Edge)
- **Sapura Energy Bhd** has taken internal austerity measures to mitigate the impact of the Covid-19 pandemic and low oil prices, with its leadership team to take a 50.0% cut in salaries with immediate effect. The austerity measures also include the readjustment of employees' salaries between 5% to 45% across the board effective after Ramadan, as well as a workforce rationalisation. (The Edge)
- **Astro Malaysia Holdings Bhd** and Allo Technology Sdn Bhd have announced a strategic partnership whereby Astro will offer its unique bundled broadband and content offering to new and existing residential areas connected by Allo Technology. The offering, which will provide residents with high-speed broadband connections, as well as Astro's best-in-class content, is part of Astro's support of the government's National Fiberisation and Connectivity

Plan (NFCP). Allo Technology is a subsidiary of **Tenaga Nasional Bhd**. (The Edge)

- **Affin Bank Bhd** is reclassifying its final dividend for the financial year ended 31st December 2019 as an interim dividend, while also cutting the initial seven sen declared to five sen per share. In view of the Movement Control Order (MCO), there is uncertainty in determining when it should convene its annual general meeting seeking to seek shareholders' approval for the proposed final dividend, and thus facilitate timely dividend payment. (The Edge)
- **Greenfield Bhd** has refuted claims made in an article published on the Facebook social media platform and Telegram messaging app. The information found in the article titled "GREENYB (0136) – Unsung hero for Gloves and condoms!" is wrong as it is not a latex producer. The article claims that the company is the largest latex producer on Bursa Malaysia, and soon the whole of Malaysia, among others. (The Edge)

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