

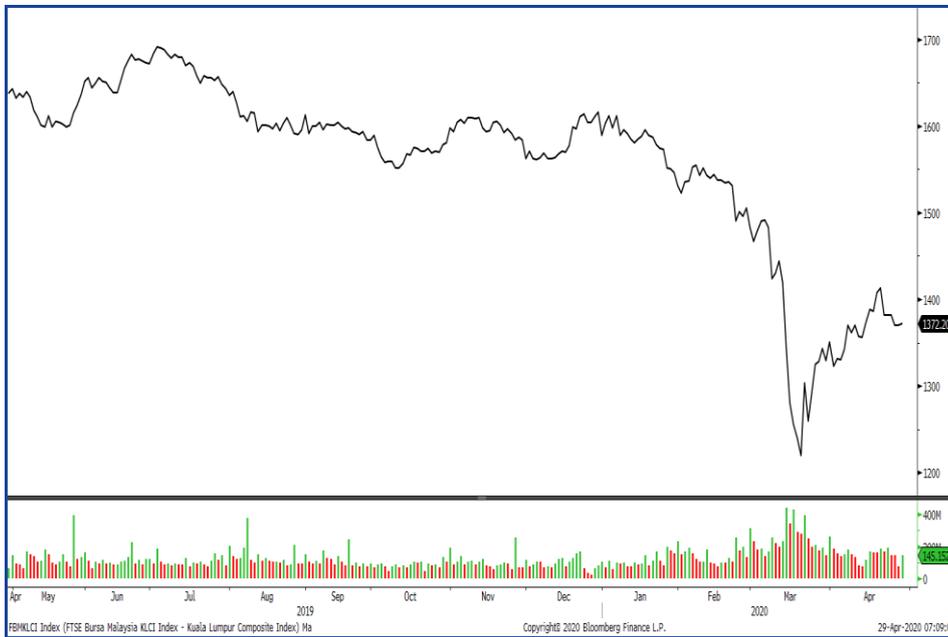
Market Pulse

Wednesday, 29 Apr, 2020

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Going Nowhere

- The FBM KLCI (+0.2%) managed to claw its' way to close in the positive territory, lifted by the eleventh hour buying support in selected in heavyweights yesterday. The lower liners - the FBM Small Cap (-0.7%), FBM Fledgling (-0.7%) and FBM ACE (-1.0%), however, all retreated, while broader market closed mostly lower with the energy sector (-2.6%) took the biggest hit amid the renewed volatility in crude oil prices.
- Market breadth turned negative as losers took control of the gainers on a ratio of 548-to-305 stocks. Traded volumes fell 3.1% to 5.02 bln shares as mild profit taking activities emerged.
- Anchoring the winners list on the FBM KLCI were Petronas Dagangan (+52.0 sen), Nestle (+50.0 sen), MISC (+48.0 sen), PPB Group (+22.0 sen) and Public Bank (+18.0 sen). Amongst the biggest gainers on the broader market include BAT (+32.0 sen), Complete Logistics (+13.0 sen), Panasonic (+12.0 sen), DKSH Holdings (+11.0 sen) and Batu Kawan (+10.0 sen).
- Notable decliners on the broader market were Dutch Lady (-50.0 sen), Heineken (-44.0 sen), LPI Capital (-28.0 sen) and United Plantations (-20.0 sen). Air Asia fell 2.0 sen after reporting reduction in number of passengers in 1Q2020. Meanwhile, Petronas Chemicals (-17.0 sen), Hong Leong Financial Group (-12.0 sen), CIMB (-11.0 sen), KLK (-10.0 sen) and Sime Darby (-9.0 sen) fell on the local bourse.
- Asia benchmark indices closed on a mixed note as Nikkei (-0.1%) staged a mild pullback ahead of the Golden Week public holiday. The Shanghai Composite (-0.2%) also edged lower, but the Hang

Market Scorecard

| | Close 28-Apr-20 | Change % |
|------------------------|--------------------|-------------|
| FBM KLCI | 1,372.20 | 0.15 |
| 52-W High | 1,694.55 | |
| 52-W Low | 1,207.80 | |
| FBM EMAS | 9,558.02 | -0.02 |
| FBM 100 | 9,436.30 | 0.01 |
| FBM Small Cap | 10,634.27 | -0.67 |
| FBM Fledgling | 12,056.23 | -0.70 |
| FBM ACE | 4,633.02 | 0.98 |
| FBM Shariah | 10,611.78 | 0.14 |
| FBM MidS Cap | 11,714.88 | -0.56 |
| FBM MidS (Shariah) | 11,222.31 | -0.61 |
| Market Participation | | |
| Trading Volume (mln) | 5,021.86 | -3.10 |
| Trading Value (RM mln) | 2,494.42 | 11.45 |
| FKLI Spot Futures | | |
| FKLI Forward Futures | 1,372.50 | -0.15 |
| Dow Jones | | |
| S&P 500 | 2,863.39 | -0.52 |
| NASDAQ | 8,607.73 | -1.40 |
| FTSE 100 | 5,958.50 | 1.91 |
| DAX | 10,795.63 | 1.27 |
| CAC 40 | 4,569.79 | 1.43 |
| FTSE STI | 2,562.95 | 0.53 |
| Shanghai Composite | 2,810.02 | -0.19 |
| Hang Seng Index | 24,575.96 | 1.22 |
| Nikkei 225 | 19,771.19 | -0.06 |
| WTI Crude Oil (USD) | | |
| Brent Spot (USD) | 12.95 | 4.94 |
| Gold (USD) | 20.46 | 2.35 |
| CPO (RM) | 1,705.36 | -0.14 |
| USD | | |
| GBP | 2,020.00 | 0.10 |
| EUR | 4.3635 | -0.27 |
| SGD | 5.4424 | -0.45 |
| YEN | 4.7365 | -0.19 |
| | 3.0805 | -0.32 |
| | 24.5150 | 0.35 |

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Seng Index (+1.2%) jumped higher on signs of returning to economy normalcy with civil servants set to head back into offices. Asia stockmarkets, meanwhile, ended mostly higher on Tuesday.

- U.S. stockmarkets endured a volatile trading session before slipping lower as the Dow (-0.1%) snapped a four-day winning streak on concern over corporate earnings growth, coupled with the renewed weakness in crude oil prices. On the broader market, the S&P 500 declined 0.5%, while the Nasdaq slumped 1.4%.
- Earlier, European stockmarkets - the FTSE (+1.9%), CAC (+1.4%) and DAX (+1.3%), all extended their gains on a mixture of corporate earnings reported from BP, HSBC and UBS among others. Market sentiment remained buoyed by the re-opening of economic activities.

THE DAY AHEAD

- Although the FBM KLCI manage to extend its' gains, we remain unconvinced on the recovery as buying momentum were only noticeable in the final trading hour. We think that the weakness on the crude oil prices does not bode well as demonstrated on the weakness in the energy sector. This may also dampen any gains arising from the prospects of the gradual re-opening of economic activities across the globe.
- We continue to see the sideway momentum on the FBM KLCI that consolidates between the 1,360 and 1,410 levels over the near term. An upper consolidation band breakout may power the key index towards the 1,420 and 1,455 levels. At the same time, the support remained unchanged at the 1,360 level, followed by the 1,340 level.
- The lower liners and broader market

shares endured mild profit taking activities as investors locked in recent gains, awaiting for further developments. Albeit that, there were also mild signs of bargain hunting as investors risk appetite continue to remain unabated as demonstrated by the high trading liquidity.

COMPANY BRIEF

- **FGV Holdings Bhd** has warned its palm oil output is poised to drop this year, as the movement control order (MCO) since 18th March 2020 limit the strength of its plantation workforce. In 2019, FGV's fresh fruit bunches (FFB) production climbed 5.6% Y.o.Y to 4.5 mln tonnes, while CPO output rose 8.9% Y.o.Y to 3.1 mln tonnes. (The Star)
- **Yinson Holdings Bhd** has entered into a deal to bring in Sumitomo Corp partner in a project to operate a floating production, storage and offloading (FPSO) vessel facility in Brazil. Yinson, in October 2019, has secured a US\$5.40 bln FPSO charter contract from Petróleo Brasileiro SA (Petrobras).
- The 25-year contract is expected to commence in 1Q2023. The FPSO vessel will operate in the Marlim field, located in the north eastern part of Campos Basin offshore Brazil. Under a deal signed, the Japanese commodity giant will take up a 25.0% stake in the project with Yinson as the majority 75.0% owner. (The Star)
- MyEG Philippines Inc, a unit of **MyEG Services Bhd** has rolled out a contact tracing and digital health profiling smartphone app known as MyEGuard in the cities of Paranaque, Metro Manila, Kidapawan, North Cotabato

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and Ilagan, in the Philippines. The system was jointly developed in Malaysia by MyEG Services and S5 Systems Sdn Bhd. The group said the roll-out of MyEGuard will enable authorities in these cities to carry out much-needed contact tracing as part of efforts to curb the spread of Covid-19, not only in the Philippines but also globally. (The Edge)

- **AirAsia X Bhd's** (AAX) passenger load factor has declined to 74% Y.o.Y in 1Q2020 to 1.1 mln passengers, while its available seats per kilometre (ASK) capacity retreated 21% Y.o.Y to 6.9 bln. The significant drops on the Covid-19 outbreak, which has affected travel demand globally and led it to reduce flight frequencies and temporarily suspend certain routes to mitigate the problem. (The Edge)
- The major shareholder of wire and cable manufacturer **Ho Wah Genting Bhd** (HWGB) has received a notice of conditional voluntary takeover offer from major shareholder Ho Wah Genting Holding Sdn Bhd (HWG Holding/offeror) to acquire the remaining shares it does not own in HWGB at 12.5 sen each compared with the current market price of 20 sen. The offeror also intends to buy the remaining HWGB warrants at one sen each. However, HWG Holding intends to keep HWGB listed on Bursa Malaysia's Main Market. (The Edge)
- **Permaju Industries Bhd's** wholly-owned Team Japs Sdn Bhd has teamed up with AT Engineering Solution Sdn Bhd, a wholly-owned subsidiary of **AT Systematization Bhd** (ATS), to distribute the Penaclo solution via an engineered sanitising box (Sanitizer Gateway) that is able to dispense sanitiser and disinfectant liquid solutions evenly on any person walking through it.
- Separately, Permaju also announced that its subsidiary Cergaz Autohaus Sdn Bhd

had inked an memorandum of understanding (MoU) with Air For Life (M) Sdn Bhd (AFLM) relating to the sub-distribution of the latter's air purification system. The MoU is intended for both parties to work towards the appointment of Cergaz Autohaus as a non-exclusive sub-distributor to sell and market AFLM's products to its customers in the automotive sectors. (The Edge)

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