

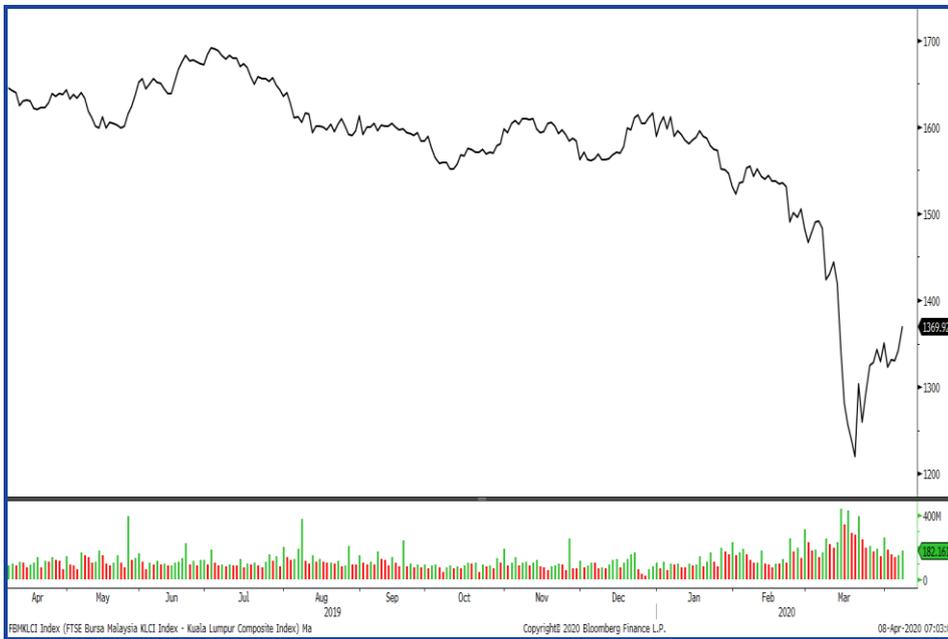
Market Pulse

Wednesday, 08 Apr, 2020

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Toppish Condition

- Tracking the strong gains on Wall Street overnight, the FBM KLCI (+2.1%) trended sharply higher after hovering largely in the positive territory yesterday. Similarly, the lower liners - the FBM Small Cap (+4.6%), FBM Fledgling (4.0%) and FBM ACE (+6.6%), all extended their gains, while the REIT sector (-0.3%) was the sole underperformer amongst the positive broader market.
- Market breadth stayed positive as gainers trounced the losers on a ratio of 900-to-134 stocks. Traded volumes gained 10.4% to 6.61 bln shares as bargain hunting activities escalated.
- More than two-third of the key index components advanced, led by Petronas Dagangan (+86.0 sen), followed by Nestle (+80.0 sen), KLK (+60.0 sen), Hap Seng Consolidated (+56.0 sen) and Sime Darby Plantations (+40.0 sen). Leading the broader market winners list were Dutch Lady (+72.0 sen), KESM Industries (+45.0 sen), Ajinomoto (+42.0 sen) and Pentamaster (+30.0 sen).
- Amongst the biggest losers on the broader market were Enra Group (-23.5 sen), Dominant Enterprise (-9.0 sen), Lysaght Galvanized (-9.0 sen), Country View (-6.0 sen) and Teo Guan Lee (-6.0 sen) fell on the broader market. Meanwhile, RHB Bank (-6.0 sen) was the sole decliner on the big board.
- Asia benchmark extended their gains as the Nikkei rose 2.0%, boosted by ¥108.0 trn, or 20.0% of gross domestic product in the world's third-largest economy stimulus package unveiled by the Japanese government, despite declaring a state of emergency in seven prefectures. The Hang Seng Index (+2.1%) advanced, while the Shanghai

Market Scorecard

| | Close 7-Apr-20 | Change % |
|------------------------|-------------------|-------------|
| FBM KLCI | 1,369.92 | 2.10 |
| 52-W High | 1,694.55 | |
| 52-W Low | 1,207.80 | |
| FBM EMAS | 9,477.71 | 2.18 |
| FBM 100 | 9,367.77 | 2.08 |
| FBM Small Cap | 10,285.15 | 4.59 |
| FBM Fledgling | 11,471.63 | 4.02 |
| FBM ACE | 4,232.90 | 6.62 |
| FBM Shariah | 10,402.56 | 2.57 |
| FBM MidS Cap | 11,295.01 | 4.56 |
| FBM MidS (Shariah) | 10,776.90 | 4.72 |
| Market Participation | | |
| Trading Volume (mln) | 6,607.66 | 10.37 |
| Trading Value (RM mln) | 3,365.76 | 29.05 |
| FKLI Spot Futures | 1,364.50 | 2.56 |
| FKLI Forward Futures | 1,357.00 | 2.57 |

| | | |
|--------------------|-----------|-------|
| Dow Jones | 22,653.86 | -0.12 |
| S&P 500 | 2,659.41 | -0.16 |
| NASDAQ | 7,887.26 | -0.33 |
| FTSE 100 | 5,704.45 | 2.19 |
| DAX | 10,356.70 | 2.79 |
| CAC 40 | 4,438.27 | 2.12 |
| FTSE STI | 2,571.89 | 4.10 |
| Shanghai Composite | 2,820.76 | 2.05 |
| Hang Seng Index | 24,253.29 | 2.12 |
| Nikkei 225 | 18,950.18 | 2.01 |

| | | |
|---------------------|----------|-------|
| WTI Crude Oil (USD) | 24.54 | 3.85 |
| Brent Spot (USD) | 31.87 | -3.57 |
| Gold (USD) | 1,647.82 | 0.01 |
| CPO (RM) | 2,315.00 | 2.89 |

| | | |
|------|---------|-------|
| USD | 4.3435 | 0.43 |
| GBP | 5.3557 | 0.53 |
| EURO | 4.7212 | -0.03 |
| SGD | 3.0462 | 0.06 |
| YEN | 25.0630 | -0.39 |

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Composite (+2.1%) resumed trading on a positive manner. Asia stockmarkets, meanwhile, finished mostly higher yesterday.

- U.S. stockmarkets erased all of their intraday gains to close marginally lower as the Dow slipped 0.1% as concern over the economic impact of Covid-19 returns to the table. On the broader market, the S&P 500 declined 0.2%, while the Nasdaq ended 0.3% lower.
- Major European stockmarkets - the FTSE (+2.2%), CAC (+2.1%) and DAX (+2.8%), all extended their gains, taking cue from the positive sentiment across Asia stockmarkets. Gains were buoyed by the rising expectation that the devastating effects of the Covid-19 pandemic may be easing.

THE DAY AHEAD

- After making decent headway over the past two sessions, the key index is again in the toppish zone which could limit further gains over the near term, in our view. While there has been renewed optimism in the Covid-19 situation that saw lower infection rates across the globe, global economy is still in a state of flux as the slower economic growth is still unfolding that could lead to weaker corporate earnings growth in its wake.
- Already, technical indicators have moved close the overbought zone and this could see increased probability of profit taking activities. Therefore, we think that the cautious market undertone still prevails and could still dampen the longer term market outlook. Already, Wall Street has staged a pullback overnight and that may see stocks in Bursa Malaysia to follow suit. For now, the FBM KLCI resistances are at the 1,400 and 1,455 levels respectively. The support, meanwhile,

remains pegged at the 1,300 level.

- Although the lower liners and broader market shares made headway over the past couple of days, the near term outlook is still largely indifferent with the lack of catalysts. We think that the positive market momentum may turn into a consolidation over the foreseeable future as further upsides could be tempered by bouts of selling activities with retail players quick to lock-in their recent profits.

COMPANY BRIEF

- **MISC Bhd** shipping unit AET has secured long-term charter contracts awarded by Total SA to own and operate two very large crude carriers (VLCCs). The new build LNG dual-fuel vessels, scheduled to be delivered to AET in 1Q2022, are targeted for operations in international waters.
- The two new builds will be powered by LNG and will be amongst the most environmentally friendly VLCCs in the market. These ships will be MISC's first LNG dual-fuel VLCCs. (The Star)
- **LKL International Bhd** was awarded an order by the Sarawak state health department to supply RM7.1 mln worth of new personal protective equipment (PPE). Hospitals and medical facilities are stocking up PPE that include face masks, gloves and ventilators as the number of coronavirus cases worldwide topped 1.3 mln. In March 2020, LKL secured a contract to deliver RM6.6mil worth of PPE to Sarawak. (The Star)
- **Sarawak Consolidated Industries Bhd** (SCIB) has proposed to undertake a private placement of up to 36.8 mln new shares, or representing 30.0% of

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SCIB's enlarged total number of issued shares, to raise RM66.5 mln to fund the company's upcoming construction projects from **Serba Dinamik Holdings Bhd**. It is also proposing a recurrent related party transaction of revenue and trading nature between SCIB and Serba Dinamik to the tune of RM1.37 bln. (The Edge)

- **Heineken Malaysia Bhd** will continue to engage the government after the latter rescinded the approval it originally granted to brewers Heineken and Carlsberg Brewery Malaysia Bhd to operate throughout the Movement Control Order (MCO) period. However, Heineken will continue to suspend operations at its Sungei Way Brewery in Selangor in line with the MCO. (The Edge)
- **Binasat Communications Bhd** has proposed a private placement exercise to issue up to 26.0 mln shares, or 10.0% of its outstanding shares, to raise up to RM5.8 mln, mainly to fund the installation of a new data centre at its satellite teleport facility. (The Edge)
- **PRG Holdings Bhd** chief executive officer Na Chun Wee has resigned from the position and as the group's executive director, effective immediately, after helming the group for less than a year. (The Edge)
- **DWL Resources Bhd** has reported that Montagna Management Sdn Bhd emerged as the substantial shareholder in the company after Montagna Management acquired 15.0 mln shares or a 6.4% stake in DWL Resources. Following this transaction, Montagna Management owns 23.0 mln shares or a 9.9% stake in the company. This should place it as the second largest shareholder in the company. (The Edge)

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