

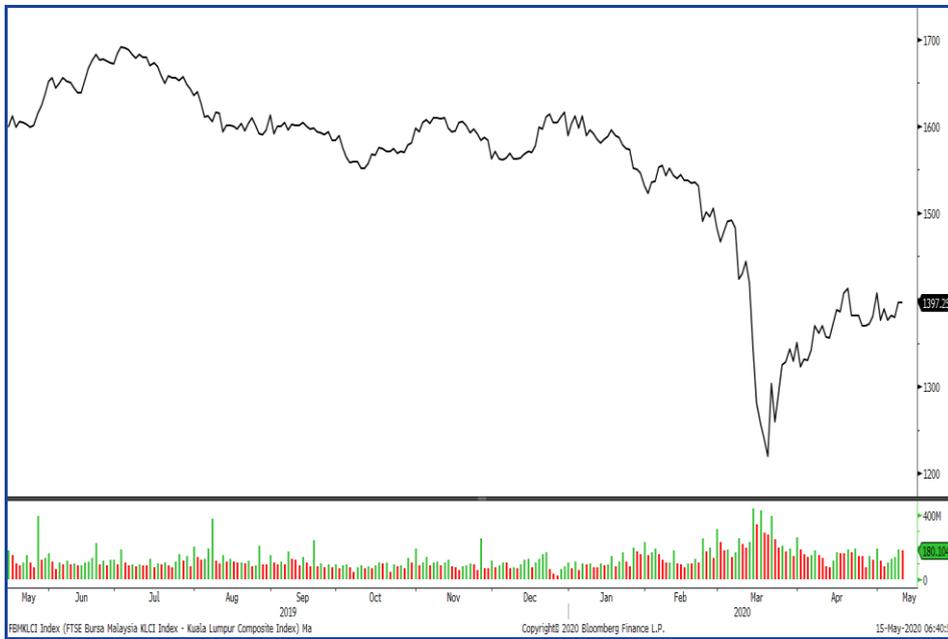
Market Pulse

Friday, 15 May, 2020

M+Online
Equipping Traders For The Win

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FBM KLCI – Daily



Ending The Week Higher

- The FBM KLCI (+0.01%) extended its gains, boosted by the eleventh hour buying support in selected index heavyweights yesterday. The lower liners finished mostly higher as the FBM FBM Fledgling and FBM ACE climbed 0.1% and 0.3% respectively, while the healthcare sector (+2.9%) outperformed the negative broader market as demand for health care products remained solid.
- Market breadth stayed negative as losers had the upper hand against the gainers on a ratio of 616-to-345 stocks. Traded volumes fell 27.0% to 7.01 bln shares but remain well above the historical average.
- Asia benchmark indices was downbeat taking cue from the weakness on Wall Street overnight as the Nikkei fell 1.7% to close below the 20,000 psychological level. The Hang Seng Index fell 1.5%, while the Shanghai Composite slipped 1.0%. Asia stockmarkets, meanwhile, were mostly in the red in Thursday's close.
- U.S. stockmarkets snapped a three-day losing streak as the Dow jumped 1.6% higher overnight boosted by gains in banking shares, couple with the higher crude oil prices. On the broader market, the S&P 500 (+1.2%) advanced with only the consumer staples sector (-0.3%) in the red, while the Nasdaq finished 0.9% higher.
- Earlier, European stockmarkets - the FTSE (-2.8%), CAC (-1.7%) and DAX (-2.0%), all remain downbeat in line with the weakness across Asia market peers. Market sentiment was impacted by the concerns over the pace of economic recovery post-Covid19 as authorities continue to debate whether the decision

Market Scorecard

	Close 14-May-20	Change %
FBM KLCI	1,397.25	0.01
52-W High	1,694.55	
52-W Low	1,207.80	
FBM EMAS	9,807.55	-0.19
FBM 100	9,661.62	-0.14
FBM Small Cap	11,419.56	-1.07
FBM Fledgling	12,880.62	0.12
FBM ACE	5,306.51	0.29
FBM Shariah	11,052.35	0.16
FBM MidS Cap	13,075.69	-0.48
FBM MidS (Shariah)	12,588.68	-0.53
Market Participation		
Trading Volume (mln)	7,006.52	-26.96
Trading Value (RM mln)	4,041.14	-20.81
FKLI Spot Futures	1,386.50	-0.64
FKLI Forward Futures	1,382.00	-0.54
Dow Jones	23,625.34	1.62
S&P 500	2,852.50	1.15
NASDAQ	8,943.72	0.91
FTSE 100	5,741.54	-2.75
DAX	10,337.02	-1.95
CAC 40	4,273.13	-1.65
FTSE STI	2,522.31	-1.93
Shanghai Composite	2,870.34	-0.96
Hang Seng Index	23,829.74	-1.45
Nikkei 225	19,914.78	-1.74
WTI Crude Oil (USD)	27.77	0.76
Brent Spot (USD)	31.13	6.65
Gold (USD)	1,731.05	0.04
CPO (RM)	2,031.00	-0.05
USD	4.3390	-0.26
GBP	5.2942	0.35
EURO	4.6903	0.04
SGD	3.0514	0.05
YEN	24.6240	0.43

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to re-open the economy might be too soon.

THE DAY AHEAD

- It was a stronger-than-expected performance on the FBM KLCI as the key index managed to stay afloat after lingering mostly in the negative territory yesterday. Still, the artificial gains were not convinced for further rally to take place at current juncture amid the lingering concern over economic growth following the new clusters of Covid-19 that emerged after the relaxation measures of lockdown took effect in certain countries.
- We maintain our view that the FBM KLCI could continue to trade in a rangebound manner, between the 1,360 and 1,430 level over the near term. In the interim, the 1,400 psychological level will serve as the immediate hurdle, while a fall below the 1,360 support level may potentially trigger another wave of correction.
- Although the local bourse tipped higher, the lower liners finished on a mixed note investors book some recent profits. Moving forward, investors would keep an eye on the barrage of corporate earnings releases. In the meantime, oil & gas players may see renewed trading interest following the rise in crude oil prices.

COMPANY BRIEF

- **Caely Holdings Bhd** has ventured into face masks and personal protective equipment (PPE) production, targeting Germany, USA, Australia, Saudi Arabia and India. Caely sees this as a good opportunity to diversify revenue streams under its manufacturing segment, to obtain income source from new product

types other than its traditional undergarment business.

- Caely's wholly owned subsidiary, Marywah Industries (M) Sdn Bhd has entered into a product manufacturing agreement with NI HSIN Marketing Sdn Bhd (NHM), a wholly owned subsidiary of **Ni Hsin Resources Bhd**. Under the agreement, Marywah will produce NHM's brand name products which mainly consists of fabric face masks (under the brand name of Masketeer – Coolmax Fibre Protective Mask) and PPE. The agreement is valid until 31st December 2022. Caely had been receiving orders from five companies, four of which are local and one from overseas since March 2020. (The Star)
- **Dialog Group Bhd's** 3QFY20 net profit rose 5.1% Y.o.Y to RM151.0 mln, on the back of better performance from its Langsat Terminals and Pengerang Independent Terminal (PITSB). Revenue for the quarter, however, declined 20.6% Y.o.Y to RM505.3 mln.
- For 9MFY20, cumulative net profit gained 19.9% Y.o.Y at RM473.7 mln. Revenue for the period, however, fell 9.0% Y.o.Y to RM1.76 bln. A first interim dividend of 1.2 sen, payable on 25th June 2020 was declared. (The Edge)
- The Employees Provident Fund (EPF) has ceased to be on the substantial shareholders' list of **Eco World Development Group Bhd**, after nearly five years on it, after the fund sold 1.9 mln EcoWorld shares on 8th May 2020. This leaves EPF with a 4.9% stake or 145.6 mln shares in the company. (The Edge)
- **Gas Malaysia Bhd's** 1Q2020 net profit rose 16.3% Y.o.Y to RM47.9 mln,

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following higher gas contribution and lower other cost of sales. Revenue for the quarter, however, declined 6.4% Y.o.Y to RM1.61 bln. (The Edge)

- **Gadang Holdings Bhd's** 3QFY20 net profit sank 24.6% Y.o.Y to RM10.0 mln due to lower earnings from its construction segment. Revenue for the quarter, however, rose 3.3% Y.o.Y to RM212.1 mln.
- For 9MFY20, cumulative net profit fell 23.8% Y.o.Y to RM35.7. Revenue for the period, however, grew 10.8% Y.o.Y to RM557.5 mln. (The Edge)
- **K-One Technology Bhd's** 60.0%-owned unit, G-AsiaPacific Sdn Bhd (G-Asia Malaysia), is setting up a company in Singapore to provide cloud computing services. It will provide cloud technology, including infrastructure as a service (IAAS), platform as a service (PAAS), cloud consultancy and design, software and mobile application development and cloud management related services. (The Edge)
- **LYC Healthcare Bhd** is partnering a local IT company to market a Covid-19 contact tracing app, named the Forwen Tracker, in Malaysia. In return, LYC will get half of the revenues generated from the app developed by Forwen Sdn Bhd. Additionally, the LYC unit will be entitled to 30.0% of any future advertising income generated from customers on the app. (The Edge)
- **MTD ACPI Engineering Bhd** has secured an RM184.2 mln contract for the construction and completion of earthworks and infrastructure for the development of the Chuping Valley Industrial Area Phase 1 in Perlis. The 24-month project will start on 1st June 2020. (The Edge)
- **S P Setia Bhd's** 1Q2020 net profit

dropped 62.0% Y.o.Y to RM28.5 mln, due to lower earnings from its property development and construction segments following the implementation of the MCO. Revenue for the quarter declined 18.8% Y.o.Y to RM702.7 mln. (The Edge)

- **Heng Huat Resources Group Bhd** has decided to abort its rights issue that could raise at least RM10.5 mln to repay bank borrowings, due to the coronavirus-led headwinds. It will now sell five parcels of industrial land in Penang for RM22.0 mln, which would result in it booking a loss of RM1.7 mln, to reduce its borrowings and raise working capital. (The Edge)
- Urusharta Jamaah Sdn Bhd (the special purpose vehicle set up to deal with Lembaga Tabung Haji's non-performing assets) has ceased to be a substantial shareholder of **KSL Holdings Bhd**, after it sold 35.9 mln shares representing a 3.5% stake in the company. This constituted almost half of Urusharta Jamaah's 6.9% stake in KSL, leaving it with a 3.5% shareholding in KSL. (The Edge)

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