

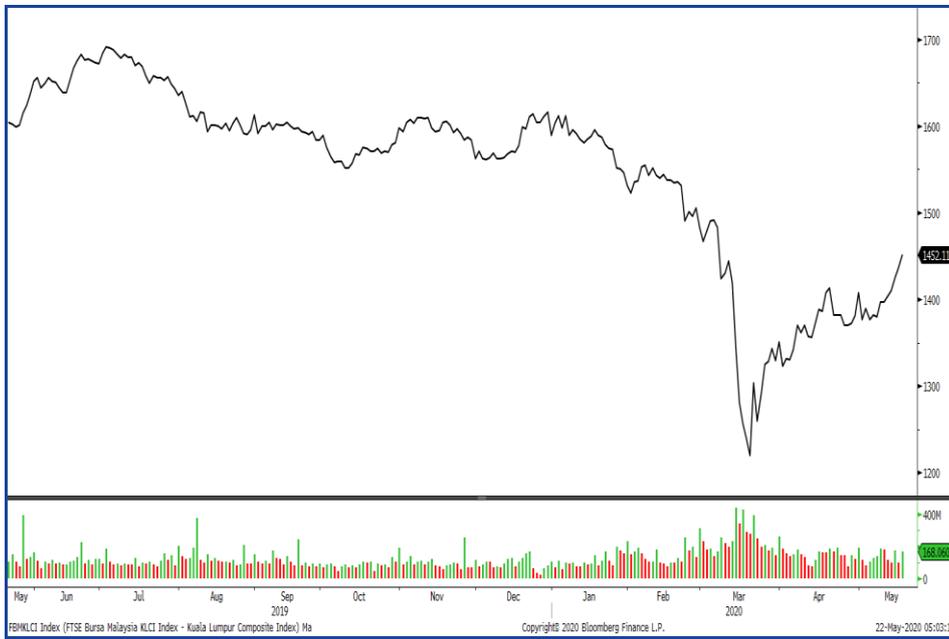
# Market Pulse

Friday, 22 May, 2020

**M+Online**  
Equipping Traders For The Win

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## FBM KLCI – Daily



## Ending The Week Softer

- Bucking the regional trend, the FBM KLCI (+1.2%) trended higher for the seventh consecutive session, supported by the extended buying momentum in glove, oil & gas and plantation heavyweights. The lower liners - the FBM Small Cap (+0.6%), FBM Fledgling (+0.3%) and FBM ACE (+0.9%), all extended their gains, while the broader market finished mostly higher with the healthcare sector (+6.4%) leading the pack.
- Market breadth stayed positive as advancers led the decliners with 558-to-430 stocks. Traded volumes gained 6.2% to 7.12 bln shares amid the improved market sentiment.
- Regional benchmark indices finished lower as the Nikkei (-0.2%) snapped a four-day winning streak. The Hang Seng Index (-0.5%) reversed all its previous session gains, while the Shanghai Composite ended 0.6% lower. Asia stockmarkets, meanwhile, were mostly lower in yesterday's close.
- U.S. stockmarkets retreated as the Dow fell 0.4% after erasing earlier intraday gains dragged down by concerns over the escalating trade tension between U.S. and China while weekly jobless claims at 2.4 mln last week came above economists' estimates. On the broader market, the S&P 500 declined 0.8% with only the industrials sector (+0.2%) outperformed, while Nasdaq lost 1.0%.
- Major European stockmarkets - the FTSE (-0.9%), CAC (-1.2%) and DAX (-1.4%), all endured a volatile spell as U.S. and China trade relationship turned sour. Market sentiment was also affected by the rising number of Covid-19 cases that topped 5.0 mln globally.

## Market Scorecard

	Close 21-May-20	Change %
FBM KLCI	1,452.11	1.18
52-W High	1,694.55	
52-W Low	1,207.80	
FBM EMAS	10,305.10	1.39
FBM 100	10,149.32	1.43
FBM Small Cap	12,058.04	0.56
FBM Fledgling	13,245.36	0.33
FBM ACE	5,508.58	0.87
FBM Shariah	11,751.31	1.73
FBM MidS Cap	14,141.68	1.73
FBM MidS (Shariah)	13,633.73	2.04
Market Participation		
Trading Volume (mln)	7,152.53	6.18
Trading Value (RM mln)	4,655.90	28.04
FKLI Spot Futures	1,448.50	1.22
FKLI Forward Futures	1,445.00	1.23

Dow Jones	24,474.12	-0.41
S&P 500	2,948.51	-0.78
NASDAQ	9,284.88	-0.97
FTSE 100	6,015.25	-0.86
DAX	11,065.93	-1.41
CAC 40	4,445.45	-1.15
FTSE STI	2,555.34	-0.26
Shanghai Composite	2,867.92	-0.55
Hang Seng Index	24,280.03	-0.49
Nikkei 225	20,552.31	-0.21
WTI Crude Oil (USD)	33.92	1.28
Brent Spot (USD)	35.92	0.48
Gold (USD)	1,727.30	0.02
CPO (RM)	2,207.00	2.22

USD	4.3457	0.16
GBP	5.3137	0.35
EURO	4.7697	-0.09
SGD	3.0728	0.00
YEN	24.7910	-0.29

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## THE DAY AHEAD

- Once again, the FBM KLCI remained on the track with glove, oil & gas and plantation companies remain on the drive. After raking some 5.0% gains since the start of last week, we think that a pullback is due on the FBM KLCI. The weakness across global equities coupled with the toppish conditions may trigger a pullback on the local bourse over the near term.
- As we approach the extended weekend festive break, profit taking is in the cards that allow investors digest the recent winning streak. Already, technical indicators are looking increasingly overbought which may prompt a pullback for the key index to be supported at the 1,430 level. Upsides are limited at the 1,480 and 1,500 levels respectively.
- Likewise, the run-up in lower liners and broader market shares may take a breather in the interim on the back of profit taking activities. The pullback will be deemed as a healthy move to allow the recent strong gains to be digested and re-assess the recent batch of corporate earnings.

## COMPANY BRIEF

- **Maybank Banking Bhd's** 1Q2020 net profit rose 13.2% Y.o.Y to RM2.05 bln, boosted by growth from community financial services and global banking. Revenue for the quarter rose 1.9% Y.o.Y to RM13.22 bln. (The Star)
- **Axiata Group Bhd's** 1Q2020 net profit sank 74.1% Y.o.Y to RM188.1 mln, dragged mainly by forex losses arising from the strengthening of the US dollar against local currencies and one-offs, especially Celcom's RM76.9 mln employee restructuring program (ERP).

Revenue for the quarter, however, climbed 1.5% Y.o.Y to RM6.03 bln. (The Star)

- **MBM Resources Bhd's** 1Q2020 net profit declined 45.0% Y.o.Y to RM27.2 mln as the movement control order disrupted its business operations. Revenue for the quarter decreased 27.9% Y.o.Y to RM374.0 mln. (The Star)
- **Apex Healthcare Bhd's** 1Q2020 net profit rose 26.1% Y.o.Y to RM14.4 mln as Covid-19 boosted the sale of its pharmaceutical products in Malaysia and Singapore. Revenue for the quarter climbed 8.5% Y.o.Y to RM193.3 mln. (The Edge)
- **British American Tobacco (M) Bhd's** 1Q2020 net profit declined 42.7% Y.o.Y to RM50.8 mln as the legal cigarette market continues to contract. Revenue for the quarter fell 22.5% Y.o.Y to RM481.2 mln. A first interim dividend of 17 sen, the lowest interim dividend since the group was formed following the merger between Rothmans of Pall Mall (Malaysia) Bhd and the Malaysian Tobacco Company Bhd back in 1999 was declared. (The Edge)
- **Capitaland Malaysia Mall Trust's** 1Q2020 net property income fell 25.4% Y.o.Y to RM39.4 mln on the back of lower rental income at its mall amid the MCO. Revenue for the quarter declined 15.2% Y.o.Y to RM74.5 mln. A distribution per unit of 0.98 sen was announced. (The Edge)
- **Genting Malaysia Bhd's** (GenM) 1Q2020 net loss stood at RM418.0 mln vs. a net profit of RM268.3 mln in the previous corresponding quarter as all of its casinos have been shut down, while recognising a loss of RM100.1 mln from its stake in Empire

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- Resorts Inc, which was acquired from controlling shareholder Tan Sri Lim Kok Thay. Revenue for the quarter dropped 28.5% Y.o.Y to RM1.95 bln. (The Edge)
- Parent company **Genting Bhd**'s 1Q2020 net loss stood at RM133.3 mln vs. a net profit of RM561.6 mln in the previous corresponding quarter an impairment loss of RM482.5 mln and RM108.0 mln in a share of loss from joint ventures and associates. Revenue for the quarter fell 26.3% to RM4.11 bln. (The Edge)
  - **HeiTech Padu Bhd** secured a RM126.0 mln maintenance and technical support services contract from the Road Transport Department (JPJ). The contract which ends on 30th September 2022, involves the maintenance and technical support services for hardware and software mainframe systems. (The Edge)
  - **Inari Amertron Bhd**'s 3Q2020 net profit decreased 8.2% Y.o.Y to RM35.1 mln on lower revenue, higher depreciation and higher tax incurred. Revenue for the quarter fell 5.4% Y.o.Y to RM242.6 mln.
  - For 9MFY20, cumulative net profit shrank 21.6% Y.o.Y to RM120.3 mln. Revenue for the period fell 6.5% Y.o.Y to RM824.6 mln. A dividend of one sen, payable on 10th July 2020 was declared. (The Edge)
  - **Kossan Rubber Industries Bhd**'s 1Q2020 net profit rose 10.4% Y.o.Y to RM64.8 mln, on greater rubber glove sales. Revenue for the quarter added 8.9% Y.o.Y to RM611.5 mln. The group is proposing a second interim dividend of three sen per share, payable on 19th June 2020. (The Edge)
  - **KUB Malaysia Bhd**'s 1Q2020 net profit stood at RM4.9 mln from a net loss of RM69,000 recorded in the previous corresponding quarter, on the back of higher revenue and its agro division returning to profitability. Revenue for the quarter gained 7.0% Y.o.Y to RM109.4 mln. (The Edge)
  - **Media Prima Bhd**'s 1Q2020 net loss narrowed to RM29.5 mln, from net loss of RM40.4 mln reported in the previous corresponding quarter attributed to savings booked from cost management measures. Revenue for the quarter inched lower by 0.3% Y.o.Y to RM238.4 mln. (The Edge)
  - **Sime Darby Bhd**'s 3QFY20 net profit fell 48.2% Y.o.Y to RM115.0 mln due to slowdowns in its industrial and motor divisions, particularly in China. Revenue for the quarter dipped 1.6% Y.o.Y to RM8.43 bln.
  - For 9MFY20, cumulative net profit declined 15.8% Y.o.Y to RM643.0 mln. Revenue for the period fell 27.9% Y.o.Y to RM374.0 mln. (The Edge)
  - **Sime Darby Property Bhd**'s 1Q2020 net profit plunged 94.7% Y.o.Y to RM14.2 mln, following a significant drop in revenue contributions from its property development and investment segments following the heels of the expiration of the Home Ownership Campaign last year and the MCO. Revenue for the quarter fell 17.1% Y.o.Y to RM476.7 mln. (The Edge)
  - **Sunway Construction Bhd**'s 1Q2020 net profit fell 47.3% Y.o.Y to RM16.4 mln, following the imposition of the MCO in March 2020. Revenue for the quarter dropped 16.9% Y.o.Y to RM365.8 mln. (The Edge)
  - **Petron Malaysia Refining & Marketing Bhd**'s 1Q2020 net loss stood at RM83.9 mln vs. a net profit of RM57.5 mln recorded in the previous corresponding quarter, as Covid-19 resulted in lower oil prices that caused inventory holding losses, weaker refining margins and lower sales

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volume as a result of the MCO. Revenue for the quarter declined 18.5% Y.o.Y to RM2.24 bln. (The Edge)

- **Poly Glass Fibre (M) Bhd** is venturing into manufacturing melt-blown non-woven fabric for surgical face masks. It has placed an order with a reputable melt-blown technology developer to supply a production line to deliver the fabric. The production line will be installed at its existing facility in Penang is expected to commence production by the end of June 2020. (The Edge)
- **Tadmax Resources Bhd** is acquiring a 70.0% stake in Bendera Juara Sdn Bhd (BJSB) from Maxim Holdings Sdn Bhd for RM233,334. BJSB is in the process of acquiring a 5.7-ac. plot of land in Alam Damai, Cheras for RM64.8 mln or RM260 per sq ft from Syarikat Perumahan Pegawai Kerajaan Sdn Bhd. (The Edge)
- **TSH Resources Bhd**'s 1Q2020 net profit sank 83.9% Y.o.Y to RM2.3 mln, due to forex losses and higher taxes. Revenue for the quarter, however, rose 24.0% Y.o.Y to RM257.4 mln. (The Edge)
- **UEM Edgenta Bhd**'s 1Q2020 net profit slipped 65.8% Y.o.Y to RM11.2 mln amid margin squeeze due to rising operating costs from its key segments. Revenue for the quarter fell 2.7% Y.o.Y to RM501.9 mln. (The Edge)

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