

12 July 2019

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Research Highlights

BURSA	11-Jul	Day chg	% chg
KLCI	1,679.3	0.29	0.02%
FTSE EMAS	11,892.9	12.9	0.11%
FTSE Smallcap	13,706.9	198.72	1.47%
FTSE MESDAQ	4,667.1	59.1	1.28%
KLSE Mkt Cap (RM'b)	1,695.0	2.3	0.14%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-47.49	47.17
Local Retail	-3.69	28.37
Foreign	51.18	24.46

INDICES	11-Jul	Day chg	% chg
Dow Jones	27,088.1	227.9	0.85%
S&P 500	2,999.9	6.8	0.23%
NASDAQ	8,196.0	-6.5	-0.08%
FTSE-100	7,509.8	-20.9	-0.28%
Nikkei 225	21,643.5	110.0	0.51%
SHCOMP	2,917.8	2.5	0.08%
HSI	28,431.8	227.1	0.81%
STI	3,350.5	10.0	0.30%
KOSPI	2,080.6	21.8	1.06%
TWSE	10,843.4	44.9	0.42%
JCI	6,417.1	6.4	0.10%
SET	1,740.5	1.0	0.06%

FOREX	11-Jul	10-Jul	% chg
USD/MYR:	4.1152	4.1370	-0.53%
EUR/USD:	1.1272	1.1217	0.49%
GBP/USD:	1.2561	1.2470	0.73%
USD/YEN:	108.13	108.92	-0.73%
USD/SGD:	1.3557	1.3613	-0.41%
USD/HKD:	7.8213	7.8157	0.07%

KEY STATS

KLCI Spot			
Vol (m shares):	3,181.1	2,235.6	42.30%
Value (RMm):	2,211.7	2,021.5	9.41%
KLCI Future			
July-19	1,683.0	1,677.0	0.36%
August-19	1,683.0	1,677.5	0.33%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	899.0	894.5	0.50%
SoyOil (US\$/lb)	28.3	28.2	0.32%
Gold (US\$/troy oz)	1,406.7	1,412.5	-0.41%
Nymex crude oil (US\$/bbl)	60.2	60.4	-0.38%
Latex (RM/kg)	4.75	4.77	-0.42%
Tin (US\$/mt)	18,297.0	18,148.0	0.82%

NEWS HIGHLIGHTS

- HSS Engineers associate to provide consultancy services for ECRL new railway scheme
- Mudajaya to raise up to RM16.6m from private placement
- Bintai Kinden secures TNB contract worth RM2.0m
- EPF, Khazanah oppose PLUS acquisition by Maju
- O&G well services provider Reservoir Link eyes ACE Market listing

MACRO BITS

- Global sales of semicon manufacturing equipment to fall 18.4% y-o-y to USD52.7b in 2019, says SEMI
- Trump says 'China is letting us down' on buying from U.S. farmers
- Tourism Minister backs calls to defer departure levy implementation to after Visit Malaysia 2020 period
- Sugar tax implementation will result in price increases, says Guan Eng
- UK open to collaborating with Khazanah on new national car project
- South Korea steps up effort to get U.S. help in export row with Japan
- In challenge to Beijing, Hong Kong activists attempt to take fight to mainland
- India-U.S. trade talks to restart Friday with little sign of compromise
- As Fed's Powell affirms rate cut view, others see U.S. economy humming
- U.S. uranium miners say ready to ramp up if Trump approves quotas
- U.S. underlying inflation stirring; labor market tightening
- ECB ready to ease again as inflation goal is 'some distance away'
- German minister pushing to resolve trade disputes with U.S.

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- MidS: MAGNA
- Company Update: MALAKOF
- On Our Technical Watch: MAGNI, KAWAN
- Rating Summary

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	DIALOG	3.47	2.7	13.30	DIALOG	3.47	2.7	13.30	SIME	2.31	-1.3	7.53
2	PBBANK	23.00	-0.5	7.75	MAXIS	5.75	1.8	0.63	KLK	24.34	-0.9	1.59
3	SIME	2.31	-1.3	7.53	RHBBANK	5.75	0.7	5.95	TOPGLOV	4.75	-0.8	4.55
4	PICHEM	8.40	-0.1	6.83	MISC	7.28	0.7	3.45	PETDAG	24.86	-0.6	0.20
5	RHBBANK	5.75	0.7	5.95	GENTING	6.64	0.6	3.30	PBBANK	23.00	-0.5	7.75
6	DIGI	5.05	0.0	4.70	PPB	18.78	0.3	0.11	PMETAL	4.41	-0.5	0.36
7	TOPGLOV	4.75	-0.8	4.55	CIMB	5.34	0.2	3.66	SIMEPLT	4.86	-0.4	2.95
8	MAYBANK	8.95	0.1	4.32	MAYBANK	8.95	0.1	4.32	HLFG	18.82	-0.3	0.04
9	GENM	3.29	-0.3	3.97	AMBANK	4.31	0.0	0.71	GENM	3.29	-0.3	3.97
10	HARTA	5.22	-0.2	3.85	AXIATA	5.18	0.0	3.58	HARTA	5.22	-0.2	3.85

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **HSS Engineers associate to provide consultancy services for ECRL new railway scheme**

HSS Engineers Bhd's (HEB) associate company, HSS Integrated Sdn Bhd (HSSI) has accepted a RM4.9m contract from China Communications Construction (ECRL) Sdn Bhd (CCC) to provide consultancy services for the New Railway Scheme and Scheme Design Study for the East Coast Rail Link (ECRL). In a filing with Bursa Malaysia, HEB said HSSI had accepted the Letter of Appointment dated July 8, 2019 from CCC. It said the contract had commenced from the second quarter of 2019 and was expected to complete within the third quarter of 2020. "Pursuant to the exclusive teaming arrangement between HSSI and HSS Engineering Sdn Bhd (HSSE), a wholly-owned subsidiary of HEB, HSSI and HSSE will be collaborating exclusively to execute and complete the contract. *(Bernama)*

- **Mudajaya to raise up to RM16.6m from private placement**

Mudajaya Group Bhd has proposed to raise up to RM16.6m via a private placement to repay part of its bank borrowings and to fund its working capital. The placement involves the issuance of up to 62.6m shares, representing 10% of the group's total number of issued shares, to third party investors that have yet to be identified, Mudajaya said in an exchange filing. The issue price of the placement shares will also be determined at a later date. However, Mudajaya guided that they may be issued based on a discount of not more than 10% to the five-day volume weighted average market price of Mudajaya shares immediately preceding the price-fixing date. *(The Edge)*

- **Bintai Kinden secures TNB contract worth RM2.0m**

Bintai Kinden Corp Bhd, which specialises in mechanical and electrical engineering works, announced that its unit has secured an underground cable contract worth RM2.0m from Tenaga Nasional Bhd (TNB). The group said in an exchange filing that its wholly-owned subsidiary Kejuruteraan Bintai Kinden Sdn Bhd received the letter of award from TNB, appointing it to be the contractor to undertake the proposed 132 kV single circuit underground cable from PMU (Transmission Main Intake) Galloway to PMU KLCC2. *(The Edge)*

- **EPF, Khazanah oppose PLUS acquisition by Maju**

The Ministry of Finance (MoF) has made a preliminary decision to oppose the takeover of highway operator PLUS Malaysia Bhd by Maju Holdings Sdn Bhd after considering the views from PLUS' major shareholders Khazanah Nasional Bhd and the Employees Provident Fund (EPF). Speaking to reporters at the Parliament lobby here, Finance Minister Lim Guan Eng, however, said he will have a meeting with Maju Holdings' management, to be briefed on the latter's new acquisition offer. *(The Edge)*

- **O&G well services provider Reservoir Link eyes ACE Market listing**

Oil and gas (O&G) well services provider Reservoir Link Energy Bhd is offering up to 57.1m new shares under its initial public offering (IPO), as it seeks to fund its growth in operational capacity. The Sarawak-based group, which is seeking to list on the ACE Market of Bursa Malaysia, will also offer for sale 31.0m existing shares via private placement to selected investors. Of the 57.1m IPO shares, which represent 20.04% of the group's enlarged share capital, 14.3m shares are available for public subscription, four million for application by eligible directors and employees, and 38.9m to be privately placed to selected investors. *(The Edge)*



Macro Bits

Global

- [Global sales of semicon manufacturing equipment to fall 18.4% y-o-y to USD52.7b in 2019, says SEMI](#) Global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to fall 18.4% year-on-year in 2019 to USD52.7b from USD64.5b a year earlier. *(The Edge Markets)*
- [Trump says 'China is letting us down' on buying from U.S. farmers](#) U.S. President Donald Trump said on Thursday that China was not living up to promises it made on buying agricultural products from American farmers as the world's two largest economies work to resolve a trade dispute. *(Reuters)*

Malaysia

- [Tourism Minister backs calls to defer departure levy implementation to after Visit Malaysia 2020 period](#) Tourism, Arts and Culture Minister Datuk Mohamaddin Ketapi says he fully agrees with proposals by some quarters to postpone the implementation of the departure levy until the Visit Malaysia 2020 campaign is over. *(The Edge Markets)*
- [Sugar tax implementation will result in price increases, says Guan Eng](#) The tax levied on packaged and ready to consume sugary beverages will result in price increases, said Lim Guan Eng. *(The Edge Markets)*
- [UK open to collaborating with Khazanah on new national car project](#) The UK is open to collaborating with Khazanah in the development of the new national car project in a bid to help Malaysia realise its carbon emission reduction goal. *(The Edge Markets)*

Asia Pacific

- [South Korea steps up effort to get U.S. help in export row with Japan](#) South Korea has warned the United States of the potential damage from "undesirable" Japanese restrictions on exports of high-tech material to South Korea, as a trade row between the East Asian U.S. allies intensifies. *(Reuters)*
- [In challenge to Beijing, Hong Kong activists attempt to take fight to mainland](#) Hong Kong's faceless protest movement is embarking on a bold new strategy that poses a direct challenge to the city's political masters in Beijing: activists want to export their "revolution" to mainland China. *(Reuters)*
- [India-U.S. trade talks to restart Friday with little sign of compromise](#) Indian and U.S. trade negotiators will meet on Friday, with little sign of a compromise on a series of protectionist measures taken by the two governments in recent months that have strained ties between the strategic partners. *(Reuters)*

Americas

- [As Fed's Powell affirms rate cut view, others see U.S. economy humming](#) As Jerome Powell kept the focus on global risks that could trigger a Fed rate cut in coming weeks, his colleagues from regional Fed districts painted a rosier picture of continued U.S. economic growth and a solid business outlook. *(Reuters)*
- [U.S. uranium miners say ready to ramp up if Trump approves quotas](#) Two leading U.S. uranium mining companies say they are prepared to quickly ramp up production if President Donald Trump approves their request for curbs on imports this week. *(Reuters)*
- [U.S. underlying inflation stirring; labor market tightening](#) U.S. underlying consumer prices increased by the most in nearly 1-1/2 years in June amid solid gains in a range of goods and services, but that did not change expectations the Federal Reserve would cut interest rates this month. *(Reuters)*

Europe

- [ECB ready to ease again as inflation goal is 'some distance away'](#) European Central Bank policymakers gathering last month agreed on the need to be ready to provide more stimulus to the euro zone economy in an environment of "heightened uncertainty", an ECB account of the meeting showed on Thursday. *(Reuters)*
- [German minister pushing to resolve trade disputes with U.S.](#) German Economy Minister Peter Altmaier on Thursday said he sees a 50-50 chance of averting U.S. auto tariffs, and that it will likely take weeks or months to resolve at least some of the thorny trade disputes clouding U.S.-European relations. *(Reuters)*



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List of Oversold Stocks (14-Day RSI<30-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
MCT BHD	0.280	20.50	16.60	2.42	0.270
HEKTAR REAL ESTATE INVESTMEN	1.000	23.15	19.23	5.62	0.995
YEE LEE CORPORATION	2.130	24.79	20.83	23.46	2.070
I-BHD	0.365	25.71	17.99	0.92	0.350
TAN CHONG MOTOR HOLDINGS BHD	1.440	28.04	21.77	3.60	1.440

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Overbought Stocks (14-Day RSI>70-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
DATASONIC GROUP BHD	0.750	88.70	92.18	90.88	0.755
YINSON HOLDINGS BHD	7.150	86.67	89.66	97.28	7.230
KNM GROUP BHD	0.350	85.42	88.95	92.49	0.350
FOCUS DYNAMICS GROUP BHD	0.265	85.16	85.34	67.13	0.285
YNH PROPERTY BHD	2.630	83.22	86.08	88.64	2.640
PESTECH INTERNATIONAL BHD	1.490	82.01	85.97	95.83	1.530
POWER ROOT BHD	1.850	80.01	83.31	89.18	1.870
KAWAN FOOD BHD	1.600	77.62	87.04	97.12	1.620
PENTAMASTER CORP BHD	3.290	77.39	81.57	75.88	3.390
MEGA FIRST CORP BHD	3.840	77.06	85.69	91.73	3.900
MALAYSIA AIRPORTS HLDGS BHD	8.800	76.02	80.90	92.29	8.880
DIALOG GROUP BHD	3.470	76.01	84.15	97.04	3.490
PANASONIC MANUFACTURING MALA	40.220	75.80	80.73	96.09	40.400
PARAMOUNT CORP BHD	2.330	75.77	80.03	91.82	2.340
DRB-HICOM BHD	2.460	75.12	79.85	85.43	2.560
DUFU TECHNOLOGY CORP BHD	1.900	74.81	82.99	97.26	1.930
POS MALAYSIA BERHAD	1.940	74.70	80.87	90.36	2.000
ECONPILE HOLDINGS BHD	0.855	74.52	78.32	88.26	0.865
KESM INDUSTRIES BHD	8.210	74.50	77.80	66.73	8.740
SUNSURIA BHD	0.780	74.34	81.98	92.18	0.800
ELSOFT RESEARCH BHD	0.925	72.96	81.22	95.39	0.930
TELEKOM MALAYSIA BHD	4.430	72.49	72.88	78.90	4.540
DAYANG ENTERPRISE HLDGS BHD	1.440	72.35	79.77	88.85	1.460
KARAMBUNAI CORP BHD	0.095	71.78	81.74	99.24	0.095
FRONTKEN CORP BHD	1.540	71.40	78.67	94.58	1.540
MAGNI-TECH INDUSTRIES BHD	5.190	71.14	76.62	95.81	5.200
KRONOLOGI ASIA BHD	0.635	71.09	76.57	87.13	0.645
MAGNUM BHD	2.750	70.96	73.53	82.59	2.770
BUMI ARMADA BERHAD	0.235	70.38	78.43	96.28	0.235

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Oversold Warrants (14-Day RSI<30-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
SAPURA ENERGY-C75	0.040	28.07	20.11	0.59	0.040	30/8/2019
WEGMANS HOLDINGS BHD -WA	0.105	29.17	22.08	2.32	0.100	13/1/2022

Source: Bloomberg

List of Overbought Warrants (14-Day RSI>70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
DATASONIC GROUP BHD-WA	0.255	96.41	98.79	100.00	0.260	5/7/2023
POWER ROOT BHD-WA	0.705	91.69	94.86	98.72	0.750	31/12/2023
YINSON HOLDIN-CY	0.410	86.96	88.82	97.60	0.425	14/10/2019
REVENUE GROUP BHD -WA	0.645	85.08	88.87	94.06	0.660	14/1/2024
KNM GROUP-WB	0.170	81.90	82.72	85.01	0.175	21/4/2020
POS MALAYSIA-C35	0.115	81.61	83.41	90.39	0.115	20/12/2019
TELEKOM MALAY-C44	0.480	80.35	81.47	95.02	0.495	30/4/2020
POS MALAYSIA-C33	0.105	80.32	88.71	98.25	0.105	31/10/2019
KERJAYA PROSPEK -WB	0.300	78.33	86.89	99.00	0.310	28/2/2023
TEK SENG HOLDINGS-WA	0.075	77.06	81.88	91.33	0.085	29/1/2020
DRB-HICOM BHD-C81	0.130	76.71	75.68	63.43	0.150	20/12/2019
NICHE CAPITAL EMAS HOLD-WB	0.040	75.90	80.48	95.37	0.040	22/1/2024
DRB-HICOM BHD-C70	0.335	73.71	78.35	82.80	0.375	31/10/2019
WZ SATU BHD -WA	0.135	71.56	76.46	82.60	0.135	28/10/2024
NEXTNATION COMMUNICATI-WA	0.010	70.13	86.04	99.97	0.010	16/5/2022

Source: Bloomberg

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Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%
NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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