

By **Adrian Ng** | [adrian.ng@kenanga.com.my](mailto:adrian.ng@kenanga.com.my)

## Research Highlights

### NEWS HIGHLIGHTS

- **Ambank seeks to sell Seacera property to recoup RM18.3m loan**  
*(Comment Included in Kenanga Today)*
- **YTL Corp extends YTL Land privatisation offer deadline to Oct 7**
- **Perak Transit to raise RM500.0m via sukuk**
- **OSK Ventures International gets moneylending licence**
- **MNC Wireless diversifies into film-making industry**

### MACRO BITS

- **Trump orders more Iran sanctions as Saudi displays attack evidence**
- **Malaysia's financial system capable of withstanding adverse simulated shocks — BNM**
- **Household debt remains 'elevated' at 82.2%, driven by residential property loans**
- **Malaysia's car sales see third consecutive month of decline in August**
- **Govt proposes additional budget for 2020 Visit Malaysia Year Campaign**
- **South Korea removes Japan from fast-track trade 'white list'**
- **Asian firms' sentiment bounces from low but recession fears grow: Thomson Reuters/INSEAD**
- **Goes ahead with quarter-point cut, loses control of its own rate**  
*(See Economic Viewpoint: US FOMC Meeting)*
- **Fed pumps more cash as key rate breaks above target**
- **U.S. housing starts, building permits race to 12-year high**
- **ECB's Villeroy: monetary policy not omnipotent**
- **ECB should take climate change into account: Villeroy**

### IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Sector Update: Banking-BNM 1H19 Financial Stability Review**
- **Company Update: TM**
- **On Our Technical Watch: MI, VS**
- **Economic Viewpoint: US FOMC Meeting**

BURSA	18-Sep	Day chg	% chg
KLCI	1,599.5	-4.81	-0.30%
FTSE EMAS	11,299.5	-22.2	-0.20%
FTSE Smallcap	13,046.9	-36.56	-0.28%
FTSE MESDAQ	4,531.0	-1.9	-0.04%
KLSE Mkt Cap (RM'b)	1,612.4	-3.7	-0.23%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	12.49	48.90
Local Retail	27.98	20.49
Foreign	-40.48	30.61

INDICES	18-Sep	Day chg	% chg
Dow Jones	27,147.1	36.3	0.13%
S&P 500	3,006.7	1.0	0.03%
NASDAQ	8,177.4	-8.6	-0.11%
FTSE-100	7,314.1	-6.3	-0.09%
Nikkei 225	21,960.7	-40.6	-0.18%
SHCOMP	2,985.7	7.5	0.25%
HSI	26,754.1	-36.1	-0.13%
STI	3,166.8	-16.2	-0.51%
KOSPI	2,070.7	8.4	0.41%
TWSE	10,929.5	55.0	0.51%
JCI	6,276.6	39.9	0.64%
SET	1,654.1	-9.8	-0.59%

FOREX	18-Sep	17-Sep	% chg
USD/MYR:	4.1858	4.1825	0.08%
EUR/USD:	1.1044	1.1025	0.17%
GBP/USD:	1.2463	1.2403	0.48%
USD/YEN:	108.19	108.13	0.06%
USD/SGD:	1.3742	1.3767	-0.18%
USD/HKD:	7.8288	7.8237	0.07%

### KEY STATS

KLCI Spot			
Vol (m shares):	1,981.5	2,730.7	-27.44%
Value (RMm):	1,602.4	2,181.7	-26.55%
KLCI Future			
September-19	1,592.0	1,591.0	0.06%
October-19	1,593.5	1,592.0	0.09%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	888.8	893.8	-0.56%
SoyOil (US\$/lb)	30.0	30.0	0.03%
Gold (US\$/troy oz)	1,509.1	1,506.9	0.15%
Nymex crude oil (US\$/bbl)	58.1	59.3	-2.07%
Latex (RM/kg)	4.42	4.44	-0.45%
Tin (US\$/mt)	16,670.0	16,859.0	-1.12%

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	DIALOG	3.50	0.0	18.40	AIRPORT	8.78	2.6	1.41	GENM	3.10	-3.1	11.60
2	GENM	3.10	-3.1	11.60	DIGI	4.78	1.3	2.06	MAYBANK	8.70	-2.3	6.04
3	PCHEM	7.69	-1.0	11.50	IHH	5.75	1.1	1.88	PPB	18.22	-1.6	0.83
4	GENTING	5.80	-0.7	8.16	AXIATA	4.30	0.7	5.16	RHBBANK	5.62	-1.1	6.02
5	MAYBANK	8.70	-2.3	6.04	SIMEPLT	4.90	0.4	0.98	PCHEM	7.69	-1.0	11.50
6	RHBBANK	5.62	-1.1	6.02	HLBANK	16.50	0.4	0.54	KLK	23.36	-0.9	2.34
7	CIMB	5.01	0.2	5.48	AMBANK	4.11	0.2	1.28	MAXIS	5.65	-0.9	0.81
8	AXIATA	4.30	0.7	5.16	PETGAS	16.46	0.2	0.68	GENTING	5.80	-0.7	8.16
9	TOPGLOV	4.78	-0.2	3.06	CIMB	5.01	0.2	5.48	HLFG	16.42	-0.5	0.13
10	PBBANK	20.16	0.0	3.01	PETDAG	23.46	0.2	0.23	SIME	2.34	-0.4	2.14

Notes: # KL Composite Index (FBM KLCI) component stocks

## Corporate News

- **Ambank seeks to sell Seacera property to recoup RM18.3m loan**

Ambank Islamic Bhd is seeking a public auction of a property in Penang belonging to Seacera Group Bhd over a sum of RM18.3m owed to the bank under an Islamic loan facility taken by its subsidiary Seacera Ceramics Sdn Bhd (SCSB). In a filing with Bursa Malaysia, Seacera Group Bhd said SCSB received a legal summons on Sept 5, and that the date of the auction had yet to be fixed but shall not be less than one month from the date of the court order. Seacera said the financial impact is dependent on the final sale value of the auction against the book value of the said land. *(The Edge)*

*Comment: We view this as positive for AMBANK given its recent track record of NPLs sale this year. However, impact of this would be recovery process will be negligible given AMBANK's impaired loans of RM1.67b or an Impaired loans ratio of 1.67% which would translate to a lower GIL ratio by 3bps to 1.64% (if successfully auctioned the said amount). Maintain OUTPERFORM with a TP of RM4.75 based on FY21 target PB ratio of 0.77x (implying a 0.5SD below mean) to reflect the risk on slower loans and NOII due to externalities but mitigated by operational efficiency, which would see benign credit charge at ~10bps. Undemanding valuations with dividend yield attractive at ~5%. (By: Ahmad Ramzani Ramli)*

- **YTL Corp extends YTL Land privatisation offer deadline to Oct 7**

The deadline of YTL Corp Bhd's privatisation offer for YTL Land & Development Bhd has been extended again to this Oct 7 from Friday (Sept 20). YTL Land said in a Bursa Malaysia filing yesterday that it received the press notice on the extension from Maybank Investment Bank Bhd (Maybank IB), on behalf of YTL Corp, which does not intend to maintain YTL Land's listing on Bursa. YTL Land said "this will be the final extension" for the offer's closing date. "Notice of the said extension will be posted to the holders accordingly. Save for the final closing date, all other details and terms and conditions of the offer remain unchanged," YTL Land said. *(The Edge)*

- **Perak Transit to raise RM500.0m via sukuk**

Perak Transit Bhd plans to raise up to RM500.0m by establishing a sukuk murabahah programme to refinance the group's bank borrowings. The money will also be used to finance its capital expenditure and working capital requirements, the group said in a filing with Bursa Malaysia. The programme will have a tenure of 15 years from the date of the first issuance of the sukuk, the group said. It said United Overseas Bank (Malaysia) Bhd is the sole principal adviser, lead arranger, lead manager, and facility agent for the programme. *(The Edge)*

- **OSK Ventures International gets moneylending licence**

OSK Ventures International has been granted a money lending licence by the Ministry of Housing and Local Government. In a filing with Bursa Malaysia, OSK Ventures said its wholly-owned subsidiary OSK Loan Ventures Sdn Bhd had been granted the money license under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003, to undertake money lending activities and to provide loans. OSK Ventures and its subsidiaries are involved in venture capital and private equity business. The group provides equity capital to companies ranging from revenue-generating start-ups to late-stage growth companies with operating profit track records seeking expansion capital for restructuring or growth acceleration purposes. *(The Edge)*

- **MNC Wireless diversifies into film-making industry**

MNC Wireless Bhd, which saw tycoon T Ananda Krishnan's nephew Robbie Hari Krishnan Tatparanandam join the board of directors last week, has teamed up with New Zealand-based production house Monfils Pictures Ltd to diversify its digital technology and mobile solutions businesses to include producing films. Its maiden project involves the production of a movie based on the biography of Tim Page — an English war photo journalist who inspired Dennis Hopper's character in renowned director Francis Ford Coppola's movie entitled *Apocalypse Now*. (*The Edge*)

*This section is intentionally left blank*



19 September 2019

## Macro Bits

### Global

- [Trump orders more Iran sanctions as Saudi displays attack evidence](#) U.S. President Donald Trump ordered a major increase in sanctions on Iran on Wednesday as Saudi Arabia displayed remnants of drones and missiles it said were used in a crippling attack on its oil sites “unquestionably sponsored” by Tehran. *(Reuters)*

### Malaysia

- [Malaysia's financial system capable of withstanding adverse simulated shocks — BNM](#) Bank Negara Malaysia's recent stress tests show that the country's financial system is still resilient enough to withstand adverse simulated shocks amid various risks from the external and domestic environment. *(The Edge Markets)*
- [Household debt remains 'elevated' at 82.2%, driven by residential property loans](#) The country's household debt level is still at an "elevated" 82.2% of GDP with loans for the purchase of residential properties continuing to drive debt growth, according to Bank Negara Malaysia (BNM). *(The Edge Markets)*
- [Malaysia's car sales see third consecutive month of decline in August](#) Malaysia car sales fell by 22% to 51,148 vehicles in August, from 65,550 vehicles a year ago, the third consecutive month of year-on-year (y-o-y) decline. *(The Edge Markets)*
- [Govt proposes additional budget for 2020 Visit Malaysia Year Campaign](#) The federal government is proposing an additional allocation for the 2020 Visit Malaysia Year Campaign, said Finance Minister Lim Guan Eng. *(The Edge Markets)*

### Asia Pacific

- [South Korea removes Japan from fast-track trade 'white list'](#) South Korea said on Wednesday it had approved plans to drop Japan from its “white list” of countries with fast track trade status, responding with a tit-for-tat move that intensifies a growing diplomatic and trade spat between the two countries. *(Reuters)*
- [Asian firms' sentiment bounces from low but recession fears grow: Thomson Reuters/INSEAD](#) Confidence among companies in Asia lifted slightly in the September quarter from 10-year lows, but most firms do not plan on hiring or expect business to pick up as they see a risk of a global recession looming, a Thomson Reuters/INSEAD survey found. *(Reuters)*

### Americas

- [Goes ahead with quarter-point cut, loses control of its own rate](#) As widely expected, the Fed trims the federal funds target rate by 25 basis points (bps) to 1.75%-2.00%, its second cut in a row since late July in an effort to prolong the longest economic expansion in history amidst rising global headwinds. *(See Economic Viewpoint: US FOMC Meeting)*
- [Fed pumps more cash as key rate breaks above target](#) The Federal Reserve injected another USD75b into a U.S. banking system on Wednesday, restoring a measure of order after a bout of extreme volatility inside the bank funding market drove the central bank's benchmark interest rate above its targeted range for the first time since the financial crisis. *(Reuters)*
- [U.S. housing starts, building permits race to 12-year high](#) U.S. homebuilding surged to more than a 12-year high in August as both single- and multi-family housing construction accelerated, suggesting that lower mortgage rates were finally providing a boost to the struggling housing market. *(Reuters)*

### Europe

- [ECB's Villeroy: monetary policy not omnipotent](#) Central bank policy is effective in the face of the current economic slowdown, but cannot alone solve problems created by politicians, ECB policymaker Francois Villeroy de Galhau said on Wednesday. *(Reuters)*
- [ECB should take climate change into account: Villeroy](#) The European Central Bank should take climate change into account in the way it runs monetary policy, ECB policymaker Francois Villeroy de Galhau said on Wednesday, backing a suggestion from its incoming chief. *(Reuters)*

19 September 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
DUTCH LADY MILK INDS BHD	56.700	5.86	3.09	0.17	56.680
AJINOMOTO MALAYSIA BHD	16.380	20.81	14.36	4.07	16.020
KUMPULAN FIMA BHD	1.610	22.25	16.65	6.42	1.600
PUBLIC BANK BERHAD	20.160	22.68	24.89	44.33	20.000
STAR MEDIA GROUP BHD	0.550	22.83	21.23	16.72	0.540
MAH SING GROUP BHD	0.800	23.75	19.51	6.71	0.795
PPB GROUP BERHAD	18.220	24.19	17.74	5.46	18.120
PANASONIC MANUFACTURING MALA I-BHD	37.780	24.26	17.42	2.57	37.700
BAHVEST RESOURCES BHD	0.300	26.17	23.80	19.47	0.300
TH PLANTATIONS BHD	0.515	26.60	20.89	6.32	0.515
TASEK CORP BHD	0.350	26.64	25.92	41.63	0.340
Y.S.P.SOUTHEAST ASIA HOLDING	5.310	27.72	22.81	32.78	5.200
GENTING BHD	2.300	27.85	26.29	39.91	2.280
YNH PROPERTY BHD	5.800	28.40	26.43	13.45	5.730
APM AUTOMOTIVE HOLDINGS BHD	2.490	28.56	21.41	12.34	2.470
BINTULU PORT HOLDINGS BHD	2.320	29.10	26.05	9.17	2.320
BERJAYA FOOD BHD	3.750	29.41	29.90	30.04	3.750
FIMA CORP BHD	1.460	29.93	27.38	14.77	1.460
FIMA CORP BHD	1.780	29.98	28.92	33.33	1.760

\*Only for stocks with market cap &gt;RM300m

Source: Bloomberg

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
PRG HOLDINGS BHD	0.910	94.32	98.19	100.00	0.930
MAGNI-TECH INDUSTRIES BHD	6.170	82.40	86.62	87.92	6.250
PETRA ENERGY BHD	1.070	79.58	85.72	96.61	1.100
PINTARAS JAYA BHD	3.390	79.14	80.49	71.85	3.430
GREEN PACKET BHD	0.705	77.13	81.93	94.30	0.710
BUMI ARMADA BERHAD	0.315	75.35	79.10	86.68	0.330
HAI-O ENTERPRISE BHD	2.450	73.27	79.71	88.86	2.480
ORIENTAL INTEREST BHD	2.180	72.70	80.91	94.49	2.200
DUFU TECHNOLOGY CORP BHD	2.520	72.32	73.35	83.32	2.530
INARI AMERTRON BHD	1.770	71.30	78.87	88.72	1.770
PENTAMASTER CORP BHD	4.020	71.23	73.94	77.86	4.020
MALAYSIAN BULK CARRIERS BHD	0.745	70.47	70.88	58.50	0.785

\*Only for stocks with market cap &gt;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
AXIATA GROUP-C40	0.075	20.90	18.05	26.22	0.070	6/1/2020
MALAYSIA AICA BHD -WA	0.020	20.97	21.11	47.70	0.005	22/7/2020
AXIATA GROUP-C37	0.040	23.99	19.48	15.22	0.030	31/12/2019
AXIATA GROUP-C41	0.045	24.01	23.58	25.99	0.040	23/1/2020
TELEKOM MALAY-C53	0.025	24.80	33.35	63.58	0.015	28/2/2020
TEO SENG CAPITAL BHD -WA	0.050	26.52	27.15	54.14	0.040	29/1/2020
FGV HOLDINGS-C67	0.155	27.96	24.76	33.63	0.145	31/10/2019
TELEKOM MALAY-C51	0.075	29.28	30.32	55.77	0.065	30/6/2020
CAB CAKARAN CORP-WA	0.250	29.80	29.01	40.93	0.230	8/2/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
V.S. INDUSTRY-C20	0.150	75.69	79.10	94.69	0.150	30/6/2020
PROLEXUS BHD-WA	0.110	71.16	77.22	88.90	0.120	14/6/2021
PENTAMASTER C-CB	0.320	71.01	72.36	85.03	0.320	29/5/2020
MESB BHD-WA	0.195	70.72	73.82	78.63	0.200	30/12/2022

Source: Bloomberg

**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.**

---

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

---

Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia  
Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)