

22 November 2019

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Research Highlights

BURSA	21-Nov	Day chg	% chg
KLCI	1,592.2	-8.95	-0.56%
FTSE EMAS	11,308.8	-57.7	-0.51%
FTSE Smallcap	13,739.2	-19.99	-0.15%
FTSE MESDAQ	4,882.8	-60.7	-1.23%
KLSE Mkt Cap (RM'b)	1,620.1	-8.0	-0.49%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	209.36	48.47
Local Retail	27.91	26.23
Foreign	-237.27	25.30

INDICES	21-Nov	Day chg	% chg
Dow Jones	27,766.3	-54.8	-0.20%
S&P 500	3,103.5	-4.9	-0.16%
NASDAQ	8,506.2	-20.5	-0.24%
FTSE-100	7,238.6	-23.9	-0.33%
Nikkei 225	23,038.6	-110.0	-0.48%
SHCOMP	2,903.6	-7.4	-0.25%
HSI	26,466.9	-422.7	-1.57%
STI	3,192.2	-37.6	-1.16%
KOSPI	2,096.6	-28.7	-1.35%
TWSE	11,558.3	-72.9	-0.63%
JCI	6,117.4	-37.7	-0.61%
SET	1,591.9	-5.0	-0.31%

FOREX	21-Nov	20-Nov	% chg
USD/MYR:	4.1698	4.1650	0.12%
EUR/USD:	1.1082	1.1066	0.14%
GBP/USD:	1.2942	1.2902	0.31%
USD/YEN:	108.62	108.44	0.17%
USD/SGD:	1.3614	1.3616	-0.01%
USD/HKD:	7.8208	7.8257	-0.06%

KEY STATS

KLCI Spot			
Vol (m shares):	2,926.7	2,904.1	0.78%
Value (RMm):	2,154.8	1,978.4	8.91%
KLCI Future			
November 19	1,590.5	1,597.5	-0.44%
December 19	1,591.0	1,598.0	-0.44%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	901.0	905.0	-0.44%
SoyOil (USc/lb)	30.9	31.4	-1.69%
Gold (US\$/troy oz)	1,463.6	1,474.2	-0.72%
Nymex crude oil (US\$/bbl)	58.6	57.1	2.57%
Latex (RM/kg)	4.48	4.47	0.11%
Tin (US\$/mt)	N.A.	16,005.0	N.A.

NEWS HIGHLIGHTS

- Hibiscus 1QFY20 profit falls 84.0% amid plant turnarounds, lower oil price
- Petra Energy 3Q net profit at RM25.0m, declares 2 sen dividend
- Revenue Group starts FY20 with 54.0% jump in quarterly earnings
- Egg producer Teo Seng signs MoA with Solarvest
- Southern Steel kicks off FY20 with loss-making quarter as selling price, sales fall

MACRO BITS

- China says it will strive to reach 'phase one' trade deal with U.S
- China invites U.S. trade negotiators for new round of talks: WSJ
- OECD sees global growth at decade-low, blames governments' indecision
- RM6.5b allocated to create more jobs over next five years — Dr Mahathir
- Economic growth and social protection should be parallel — Dr Mahathir
- Govt looking at ways to mitigate US-China trade war impact — Darell
- Exports down to a 5-month low in October partly due to a high-base effect (See *Economic Viewpoint: Thailand External Trade*)
- Holds key rates steady, cuts reserve requirement ratio to boost liquidity (See *Economic Viewpoint: Bank Indonesia Rate Decision*)
- Singapore upgrades third quarter GDP as manufacturing gloom retreats
- U.S. existing home sales rise more than expected in October
- U.S. labor market slowing; manufacturing mired in weakness
- Labour unveils 'radical' plan to remake Britain
- Exclusive: German exports to United States jump despite trade tensions

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- MidS: MAGNA
- Results Note: CJCEN, KOSSAN, MBMR, MEDIA, OCK, PPB, WASEONG
- On Our Technical Watch: PETGAS, TGUAN
- Rating Summary
- Economic Viewpoint: Bank Indonesia Rate Decision, Thailand External Trade

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	PChem	7.01	-2.8	9.15	IOICORP	4.49	0.9	3.90	AMBANK	4.06	-2.9	2.84
2	CIMB	5.38	0.0	7.81	PMETAL	4.72	0.4	0.90	PChem	7.01	-2.8	9.15
3	GENM	3.22	-0.3	7.38	KLK	23.70	0.4	1.49	PETDAG	23.58	-2.4	1.00
4	TENAGA	13.48	-1.3	6.83	PPB	18.24	0.2	0.55	PETGAS	16.14	-1.9	0.94
5	SIME	2.35	-0.4	5.82	IHH	5.45	0.2	5.20	RHBBANK	5.70	-1.7	3.75
6	SIMEPLT	5.11	-0.6	5.63	AIRPORT	8.21	0.1	1.22	TENAGA	13.48	-1.3	6.83
7	MAYBANK	8.64	-0.4	5.47	AXIATA	4.30	0.0	1.59	MAXIS	5.28	-0.8	2.22
8	IHH	5.45	0.2	5.20	CIMB	5.38	0.0	7.81	HLBANK	16.84	-0.7	1.36
9	PBBANK	19.82	-0.5	4.90	DIALOG	3.43	0.0	3.31	DIGI	4.60	-0.7	2.01
10	MISC	8.33	-0.1	4.33	GENTING	6.05	0.0	2.00	SIMEPLT	5.11	-0.6	5.63

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Hibiscus 1QFY20 profit falls 84.0% amid plant turnarounds, lower oil price**

Hibiscus Petroleum Bhd's net profit for the first quarter ended Sept 30, 2019 (1QFY20) shrank 84.0% to RM16.2m from RM100.0m the year before, as it recorded lower contributions across all three of its operations in Sabah, North Sea's Anasuria Cluster, and Australia. Quarterly earnings per share subsequently fell to 1.02 sen from 6.3 sen in the same quarter last year. Revenue more than halved to RM159.3m from RM359.9m, due to planned shutdown of its facilities in North Sabah and Anasuria Cluster for maintenance activities or what it calls offshore plant turnarounds, its stock exchange filing showed. The performance of its core operations in North Sabah and the Anasuria Cluster were also hit by lower realised oil price, besides being impacted by higher operating expenditure caused by planned maintenance activities. (*The Edge*)

- **Petra Energy 3Q net profit at RM25.0m, declares 2 sen dividend**

Petra Energy Bhd posted a net profit RM25.0m in the third quarter ended Sept 30, 2019 compared to net loss RM27.0m a year ago, on the back of higher revenue. In a filing to the exchange, Petra Energy said revenue for the quarter rose to RM219.0m from RM119.7m in the previous year. Earnings per share was 7.8 sen compared to loss per share of 8.4 sen. Petra Energy declared an interim dividend of 2 sen per share, payable on Feb 3, 2020. (*The Edge*)

- **Revenue Group starts FY20 with 54.0% jump in quarterly earnings**

Revenue Group Bhd's net profit grew 54.0% in its first quarter ended Sept 30, 2019 (1QFY20) to RM3.0m from RM1.9m a year ago, as revenue expanded 12.0% to RM16.7m from RM14.8m. This positive start to the group's FY20 was due to higher income from the rental of its electronic data capture or EDC terminals, higher electronic transaction processing income, and the inclusion of revenue contribution from two newly acquired subsidiaries, Anypay Sdn Bhd and Buymall Services Sdn Bhd. Consequently, earnings per share rose to 1.28 sen from 0.86 sen, its stock exchange filing today showed. (*The Edge*)

- **Egg producer Teo Seng signs MoA with Solarvest**

Teo Seng Capital Bhd has today signed a memorandum of agreement (MoA) with Solarvest Holdings Bhd to install solar photovoltaic panels across Teo Seng's chicken farms and factories in Johor. In a statement to Bursa Malaysia, the egg producer said it has earmarked approximately RM13.0m for the installations, which involve about 4,000 kilowatt-peak (kWp) of electricity output. "This investment is in line with Teo Seng's aspiration of being an environmentally sustainable organisation as well as supporting the government's initiatives to encourage the use of green energy. (*The Edge*)

- **Southern Steel kicks off FY20 with loss-making quarter as selling price, sales fall**

Southern Steel Bhd started its financial year ending June 30, 2020 (FY20) in the red, as its first quarter ended Sept 30, 2019 recorded a net loss of RM45.6m, dragged by lower sales volume and selling prices. This is the company's fourth consecutive quarterly net loss, which brings its cumulative losses to RM166.4m since 2QFY19. In the corresponding quarter a year ago of 1QFY19, the company, which is a member of the Hong Leong Group, recorded a net profit of RM1.8m, on revenue of RM929.0m. Revenue has now fallen 30.0% to RM653.7m. (*The Edge*)



Macro Bits

Global

- [China says it will strive to reach 'phase one' trade deal with U.S](#) China will strive to reach an initial trade agreement with the United States as both sides keep communication channels open, the Chinese commerce ministry said on Thursday, in an attempt to allay fears talks might be unraveling. *(Reuters)*
- [China invites U.S. trade negotiators for new round of talks: WSJ](#) China has invited top U.S. trade negotiators for a new round of face-to-face talks in Beijing amid continued efforts to strike at least a limited deal, the Wall Street Journal reported on Thursday citing unnamed sources. *(Reuters)*
- [OECD sees global growth at decade-low, blames governments' indecision](#) The global economy is growing at the slowest pace since the financial crisis as governments leave it to central banks to revive investment, the OECD said on Thursday in an update of its forecasts. *(Reuters)*

Malaysia

- [RM6.5b allocated to create more jobs over next five years — Dr Mahathir](#) The government's allocation of RM6.5b for the Malaysia@Work programme will create more jobs for Malaysians over the next five years, said Tun Dr Mahathir Mohamad. *(The Edge Markets)*
- [Economic growth and social protection should be parallel — Dr Mahathir](#) Economic growth and social protection should be in parallel to ensure sustainable progress, Prime Minister Tun Dr Mahathir Mohamad said today. *(The Edge Markets)*
- [Govt looking at ways to mitigate US-China trade war impact — Darell](#) The government is constantly devising strategies and finding the best way to mitigate the impact of the trade war between the United States and China on the country. *(The Edge Markets)*

Asia Pacific

- [Exports down to a 5-month low in October partly due to a high-base effect.](#) Exports fell at the steepest pace in five months (-4.5% YoY; consensus: -3.7%; Sep: -1.4%), but up 1.3% MoM. *(See Economic Viewpoint: Thailand External Trade)*
- [Holds key rates steady, cuts reserve requirement ratio to boost liquidity.](#) Bank Indonesia (BI) yesterday held its 7-day repo rate unchanged after four consecutive rate cuts but slashed reserve requirement ratio (RRR) by 50 basis points (bps) (consensus: no change; KIBB: 50% probability of 25 bps cut). *(See Economic Viewpoint: Bank Indonesia Rate Decision)*
- [Singapore upgrades third quarter GDP as manufacturing gloom retreats](#) Singapore revised its third-quarter economic growth upward on Thursday, signaling some stabilization in the bellwether Asian economy that has been hit by the trade war between the United States and China. *(Reuters)*

Americas

- [U.S. existing home sales rise more than expected in October](#) U.S. home sales increased more than expected in October and house prices rose at the fastest pace in more than two years amid lower mortgage rates and a shortage of properties for sale. *(Reuters)*
- [U.S. labor market slowing; manufacturing mired in weakness](#) The number of Americans filing applications for unemployment benefits was unexpectedly unchanged at a five-month high last week, suggesting some softening in the labor market. *(Reuters)*

Europe

- [Labour unveils 'radical' plan to remake Britain](#) Labour leader Jeremy Corbyn unveiled his party's election manifesto on Thursday, setting out radical plans to transform Britain with public sector pay rises, higher taxes on companies and a sweeping nationalisation of infrastructure. *(Reuters)*
- [Exclusive: German exports to United States jump despite trade tensions](#) Strong German exports to the United States helped Europe's largest economy to avoid a recession in the third quarter, data showed on Thursday, as companies benefited from a weaker euro and trade diversion linked to the U.S.-China tariff dispute. *(Reuters)*



22 November 2019

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

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
MEDIA PRIMA BHD	0.275	19.95	19.55	21.77	0.275
MBM RESOURCES BERHAD	3.700	20.42	10.53	2.08	3.690
STAR MEDIA GROUP BHD	0.435	22.84	25.02	40.82	0.430
HONG LEONG INDUSTRIES BHD	9.800	24.61	15.80	1.99	9.800
EXCEL FORCE MSC BHD	0.530	25.96	21.19	23.34	0.520
PERUSAHAAN SADUR TIMAH MALAY	4.240	27.07	23.78	50.19	4.220
MSM MALAYSIA HOLDINGS BHD	0.870	27.51	22.73	15.18	0.860
CHIN WELL HOLDINGS BHD	1.550	28.14	23.15	15.35	1.530
BLD PLANTATION BHD	5.440	28.70	24.36	8.05	5.440
SYARIKAT TAKAFUL MALAYSIA KE	5.910	29.86	17.84	0.22	5.880

*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
THONG GUAN INDUSTRIES BHD	3.420	87.17	92.31	99.34	3.470
SARAWAK OIL PALMS BERHAD	3.050	86.70	91.55	99.32	3.060
MKH BHD	1.500	85.07	88.93	97.07	1.500
TA ANN HOLDINGS BERHAD	2.980	83.30	87.63	97.76	3.050
CB INDUSTRIAL PRODUCT HLDG	0.970	82.79	88.09	96.67	0.980
TROPICANA CORP BHD	0.900	82.76	91.04	99.33	0.900
GUAN CHONG BHD	2.870	78.82	84.72	98.32	2.980
GENTING PLANTATIONS BHD	10.600	77.17	86.44	98.49	10.800
KOTRA INDUSTRIES BHD	2.100	76.38	78.26	87.18	2.130
RCE CAPITAL BHD	1.750	75.42	75.41	54.64	1.810
KIM LOONG RESOURCES BHD	1.350	73.97	77.98	91.80	1.350
DAYANG ENTERPRISE HLDGS BHD	2.120	73.55	79.60	94.98	2.120
MEGA FIRST CORP BHD	4.800	72.92	71.90	61.69	4.840
EKOVEST BHD	0.855	72.53	81.53	96.49	0.860
JAKS RESOURCES BHD	1.330	72.01	70.19	52.85	1.430
KESM INDUSTRIES BHD	8.610	71.97	77.12	95.11	8.630
TDM BHD	0.205	71.62	77.97	94.79	0.205
NOTION VTEC BHD	0.970	71.61	71.88	65.09	1.020
INNOPRISE PLANTATIONS BHD	0.810	71.46	79.21	93.34	0.810
CARING PHARMACY GROUP BHD	2.500	71.26	72.58	81.17	2.500
SARAWAK PLANTATION BHD	1.720	70.57	76.81	96.07	1.720
TH PLANTATIONS BHD	0.385	70.40	76.98	92.80	0.390
KUMPULAN FIMA BHD	1.660	70.26	77.80	87.97	1.660

*Only for stocks with market cap >RM300m

Source: Bloomberg

List of Oversold Warrants (14-Day RSI<70-mark)

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
MBM RESOURCES-CJ	0.180	22.51	13.32	3.75	0.175	30/4/2020
AXIATA GROUP-C37	0.010	25.17	21.44	7.07	0.005	31/12/2019
MMAG HOLDINGS BHD -WB	0.105	26.73	17.51	3.23	0.095	27/11/2022
S&P 500 INDEX-HI	0.020	27.11	27.70	41.71	0.015	23/12/2019
PETRONAS CHEM-C40	0.085	27.56	19.98	4.48	0.085	31/3/2020
GREEN PACKET BHD-WB	0.280	29.26	17.59	2.52	0.270	24/11/2023

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
GUAN CHONG BH-CI	0.420	83.78	88.83	98.46	0.445	13/4/2020
SCIENTEX BHD-CG	0.250	82.68	87.09	97.16	0.255	29/5/2020
GUAN CHONG BH-CG	0.415	82.08	87.35	98.59	0.460	15/5/2020
DAYANG ENTERP-C1	0.180	79.44	84.85	97.25	0.180	7/9/2020
ALAM MARITIM BHD-WA	0.070	79.00	85.81	98.11	0.075	28/3/2022
MCLEAN TECHNOLOGIES-WB	0.105	73.78	80.23	88.57	0.105	7/10/2020

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.**

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