

04 December 2019

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BURSA	3-Dec	Day chg	% chg
KLCI	1,562.3	-8.28	-0.53%
FTSE EMAS	11,078.4	-57.9	-0.52%
FTSE Smallcap	13,429.4	-40.14	-0.30%
FTSE MESDAQ	4,762.4	-37.9	-0.79%
KLSE Mkt Cap (RM'b)	1,592.6	-7.4	-0.47%

**BURSA DAILY TRADING PARTICIPATION**

Participation	Net (RM'm)	Value (%)
Local Institution	214.59	47.70
Local Retail	46.00	26.35
Foreign	-260.59	25.95

INDICES	3-Dec	Day chg	% chg
Dow Jones	27,502.8	-280.2	-1.01%
S&P 500	3,093.2	-20.7	-0.66%
NASDAQ	8,520.6	-47.3	-0.55%
FTSE-100	7,158.8	-127.2	-1.75%
Nikkei 225	23,379.8	-149.7	-0.64%
SHCOMP	2,884.7	8.9	0.31%
HSI	26,391.3	-53.4	-0.20%
STI	3,173.1	-14.9	-0.47%
KOSPI	2,084.1	-7.8	-0.38%
TWSE	11,531.6	28.8	0.25%
JCI	6,133.9	3.8	0.06%
SET	1,567.6	-1.9	-0.12%

FOREX	3-Dec	2-Dec	% chg
USD/MYR:	4.1750	4.1792	-0.10%
EUR/USD:	1.1073	1.1012	0.55%
GBP/USD:	1.2984	1.2900	0.65%
USD/YEN:	108.86	109.64	-0.71%
USD/SGD:	1.3655	1.3686	-0.23%
USD/HKD:	7.8285	7.8284	0.00%

**KEY STATS**

KLCI Spot			
Vol (m shares):	2,336.5	2,037.1	14.70%
Value (RMm):	1,735.4	1,412.2	22.89%
KLCI Future			
December 19	1,560.5	1,570.0	-0.61%
January 20	1,562.0	1,572.5	-0.67%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	871.0	870.5	0.06%
SoyOil (US\$/lb)	30.5	30.5	0.13%
Gold (US\$/troy oz)	1,484.4	1,469.2	1.03%
Nymex crude oil (US\$/bbl)	56.1	56.0	0.25%
Latex (RM/kg)	4.50	4.47	0.67%
Tin (US\$/mt)	N.A.	16,516.0	N.A.

# Research Highlights

**NEWS HIGHLIGHTS**

- Destini gets one-year extension for its Mindef contract
- XiDeLang's auditor resigns after sanctions by SC's Audit Oversight Board
- Scomi gets nod for share capital reduction plan
- Sumatec misses deadline to submit quarterly report, share trade suspension continues
- Builder of ex-1MDB project IWH weighs IPO for as early as 2020

**MACRO BITS**

- Trump says China trade deal may have to wait amid sticking points in talks
- France fights back over U.S. tariff threat to Champagne, cheese
- Trump sees tariffs as lever with China, Europe, others: Pence
- No electricity tariff surcharge for domestic consumers in January-June 2020
- Human Resource Ministry to step up TVET promotion
- Penang records RM13.3b approved manufacturing investment in Jan-Sept 2019
- Bank Indonesia: Infrastructure Loans Boosts Economic Growth
- Businesses cautiously optimistic over Indonesia's economic reforms
- Trump has upended relationships with nine of 10 top U.S. trading partners
- U.S. has not ruled out imposing tariffs on imported autos: Commerce chief Ross
- Britain's construction downturn eases a little in November: PMI
- Corporate tax boom to hand Ireland bigger budget surplus
- New U.S. threat of sanctions are bad for global economy - Le Maire

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

- Company Update: TENAGA
- On Our Technical Watch: JAKS, FRONTKN

#	Top Volume	Price	%Chg (+/-)	Vol (m)	Top Gainer	Price	%Chg (+/-)	Vol (m)	Top Loser	Price	%Chg (+/-)	Vol (m)
	Stock				Stock				Stock			
1	CIMB	5.15	-0.8	8.46	AIRPORT	8.37	0.2	1.77	AMBANK	3.86	-2.0	3.90
2	MAYBANK	8.51	0.0	6.20	DIALOG	3.40	0.0	3.28	PMETAL	4.62	-1.7	1.89
3	GENM	3.19	-0.9	5.61	IOICORP	4.39	0.0	2.54	TOPGLOV	4.42	-1.6	3.36
4	PICHEM	7.04	-0.9	4.83	MAXIS	5.25	0.0	1.20	HLFG	16.18	-1.5	0.26
5	MISC	8.20	0.0	4.42	MAYBANK	8.51	0.0	6.20	AXIATA	4.18	-1.2	2.14
6	PBBANK	19.46	-0.5	4.29	MISC	8.20	0.0	4.42	HLBANK	16.76	-1.1	0.79
7	TENAGA	13.02	-0.5	4.02	PETDAG	23.30	0.0	0.54	KLK	23.50	-1.0	1.68
8	AMBANK	3.86	-2.0	3.90	SIMEPLT	5.12	0.0	3.81	GENM	3.19	-0.9	5.61
9	SIMEPLT	5.12	0.0	3.81	DIGI	4.62	-0.2	3.39	IHH	5.35	-0.9	3.67
10	RHBBANK	5.60	-0.9	3.72	PPB	18.22	-0.2	0.36	RHBBANK	5.60	-0.9	3.72

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Destini gets one-year extension for its Mindef contract**

Destini Bhd has secured a one-year extension for its contract with the Defence Ministry for the provision of maintenance, repair and overhaul services, as well as the supply of safety and survival equipment to the Royal Malaysian Air Force. The contract ceiling is RM50.2m, Destini said in a filing with Bursa Malaysia. The contract, awarded to Destini's wholly-owned subsidiary Destini Prima Sdn Bhd, requires the company to carry out the Professional Training and Education for Growing Entrepreneurs (Protégé) and include at least 20 Protégé participants at no cost to the government. *(The Edge)*

- **XiDeLang's auditor resigns after sanctions by SC's Audit Oversight Board**

XiDeLang Holdings Ltd said its auditor Afrizan Tarmili Khairul Azhar (AFTAAS) has resigned with immediate effect, due to sanctions imposed on the auditor for non-compliance with auditing standards by the Securities Commission Malaysia (SC)'s Audit Oversight Board (AOB). AFTAAS was previously reappointed as XiDeLang's auditor at its 10th annual general meeting on June 20, 2019. "The resignation of AFTAAS was due to the sanctions imposed upon them by the Audit Oversight Board which, inter alia, prohibit them from auditing the financial statements of a public interest entity for 12 months with effect from Nov 25, 2019," XiDeLang, which manufactures footwear, said in a filing with Bursa. *(The Edge)*

- **Scomi gets nod for share capital reduction plan**

Scomi Group Bhd's (SGB) proposed share capital reduction and share consolidation have been approved by Bursa Malaysia Securities. In a bourse filing, MIDF Investment Bank Bhd and Astramina Advisory, on behalf of SGB, said the approval was given on Dec 2. SGB's proposed share capital reduction will see the reduction of its issued share capital from RM225.0m from RM40.0m. As per SGB's initial filing on May 27 this year, the share capital reduction will give rise to a total credit of RM185.0m. *(The Edge)*

- **Sumatec misses deadline to submit quarterly report, share trade suspension continues**

Sumatec Resources Bhd has missed the deadline to submit its quarterly report for the financial period ended Sept 30, 2019 (3QFY19). In a bourse filing, Sumatec said in the event it is unable to submit its 3QFY19 report on or before Dec 6, trading in its securities will be suspended from 9am on Monday, Dec 9. However, Sumatec said as its securities have been suspended from trading since Nov 7 following a winding up order against the company, the suspension of trading will continue until further notice. *(The Edge)*

- **Builder of ex-1MDB project IWH weighs IPO for as early as 2020**

Iskandar Waterfront Holdings Sdn Bhd is considering an initial public offering as early as next year, partly to help fund the USD33.5b Bandar Malaysia project, according to people with knowledge of the matter. The company known as IWH is working with at least one adviser for the listing that may fetch a valuation of about RM30.0b (USD7.2b), said one of the people, who asked not to be named because the information is private. Bandar Malaysia was conceived under 1MDB, and languished when the troubled state fund struggled to finance the development amid corruption investigations. 1MDB then sought to sell a major stake in the project to developers IWH and China Railway Engineering Corp, before canceling the deal amid a dispute over payments in 2017. In April, the government gave the developers another chance to revive the project in Kuala Lumpur. *(The Edge)*



## Macro Bits

### Global

- [Trump says China trade deal may have to wait amid sticking points in talks](#) President Donald Trump said on Tuesday a trade deal with China might have to wait until after the U.S. presidential election in November 2020, denting hopes that the two largest economies would soon reach an initial deal to ease their damaging trade war. *(Reuters)*
- [France fights back over U.S. tariff threat to Champagne, cheese](#) France and the European Union said on Tuesday they were ready to retaliate if U.S. President Donald Trump acted on a threat to impose duties of up to 100.0% on imports of champagne, handbags and other French products worth USD2.4b. *(Reuters)*
- [Trump sees tariffs as lever with China, Europe, others: Pence](#) U.S. President Donald Trump is willing to wield tariffs and access to the U.S. market as he continues to push for trade deals with China as well as France and other European allies, U.S. Vice President Mike Pence said on Tuesday. *(Reuters)*

### Malaysia

- [No electricity tariff surcharge for domestic consumers in January-June 2020](#) The electricity tariff in Peninsular Malaysia for domestic consumers will be maintained while the surcharge for commercial and industrial users will be reduced effective Jan 1 until June 30 next year. *(The Edge Markets)*
- [Human Resource Ministry to step up TVET promotion](#) The Human Resource Ministry will step up promotion of Technical, Vocational Education and Training (TVET) through outreach programmes at primary and secondary schools, especially in rural areas nationwide. *(The Edge Markets)*
- [Penang records RM13.3b approved manufacturing investment in Jan-Sept 2019](#) Penang recorded approved manufacturing investment inflows of RM13.3b in the first nine months of 2019 (9M2019). *(The Edge Markets)*

### Asia Pacific

- [Bank Indonesia: Infrastructure Loans Boosts Economic Growth](#) Bank Indonesia (BI) stated that one of the strategies to boost the country's economic growth is through the availability of adequate infrastructures, which is essential in connecting critical sectors such as economic areas, tourism spots, industrial areas, and production hubs. *(Tempo)*
- [Businesses cautiously optimistic over Indonesia's economic reforms](#) Business players, economists and observers welcomed the government's sweeping regulatory reforms to liberalize the economy and stoke growth. However, many have said they would maintain caution as to whether the programs can be consistently delivered. *(The Jakarta Post)*

### Americas

- [Trump has upended relationships with nine of 10 top U.S. trading partners](#) During his election campaign in 2016, U.S. President Donald Trump promised to shake up global trade and bring down America's growing trade deficits. *(Reuters)*
- [U.S. has not ruled out imposing tariffs on imported autos: Commerce chief Ross](#) U.S. Commerce Secretary Wilbur Ross said on Tuesday the Trump administration has not ruled out imposing tariffs on imported autos, after letting a review period end in November with no action. *(Reuters)*

### Europe

- [Britain's construction downturn eases a little in November: PMI](#) The pace of decline in British construction eased last month but the sector remained a long way from a return to growth as Brexit and election uncertainty continued to weigh, a survey showed on Tuesday. *(Reuters)*
- [Corporate tax boom to hand Ireland bigger budget surplus](#) Ireland expects to run a better-than-expected budget surplus of 0.4% of gross domestic product this year following another surge in corporate tax receipts, Finance Minister Paschal Donohoe said on Tuesday. *(Reuters)*
- [New U.S. threat of sanctions are bad for global economy - Le Maire](#) New tariff threats by the United States on certain French products are bad for the global economy, and France is counting upon the solidarity of its European partners as it looks to challenge the move, the French finance minister said. *(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
DUTCH LADY MILK INDS BHD	51.000	9.91	6.11	1.10	49.900
CHIN WELL HOLDINGS BHD	1.370	17.03	13.32	6.63	1.360
ANN JOO RESOURCES BHD	0.970	24.23	19.74	13.76	0.960
SUPERMAX CORP BHD	1.340	26.68	22.65	17.37	1.340
BLD PLANTATION BHD	5.410	28.24	23.73	6.78	5.410
ASIA FILE CORP BHD	2.210	28.60	21.81	6.19	2.210
SUNWAY CONSTRUCTION GROUP BH	1.820	28.66	21.60	12.48	1.780
GD EXPRESS CARRIER BHD	0.260	28.82	23.06	11.80	0.255
GABUNGAN AQRS BHD	1.150	29.31	24.62	12.66	1.140
TA ENTERPRISE BERHAD	0.575	29.79	25.34	19.48	0.575

\*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
MCT BHD	0.375	79.12	81.65	85.91	0.400
JOHORE TIN BHD	1.700	78.61	83.89	96.55	1.710
RIMBUNAN SAWIT BHD	0.225	76.03	79.03	89.78	0.230
JAYA TIASA HOLDINGS BHD	0.735	75.66	78.58	87.54	0.745
TA ANN HOLDINGS BERHAD	3.050	74.91	75.63	78.95	3.090
THONG GUAN INDUSTRIES BHD	3.490	74.81	75.10	80.48	3.580
TH PLANTATIONS BHD	0.520	74.27	74.89	66.07	0.575
TROPICANA CORP BHD	0.920	73.21	70.45	38.68	0.940
FRONTKEN CORP BHD	2.090	71.21	76.62	93.71	2.110
ALLIANZ MALAYSIA BHD	14.580	70.53	75.88	80.61	14.900

\*Only for stocks with market cap &gt;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
BRITISH AMERI-CT	0.050	10.82	12.08	4.74	0.045	28/8/2020
LBI CAPITAL BHD-WB	0.095	22.02	16.40	3.18	0.075	24/6/2024
TOP GLOVE COR-C62	0.040	24.50	23.10	3.52	0.040	10/4/2020
GFM SERVICES BHD-WC	0.065	28.95	24.16	17.91	0.065	28/1/2022
GABUNGAN AQRS BHD-WB	0.335	29.16	21.89	6.79	0.325	26/9/2023
HANG SENG IND-7E	0.020	29.75	22.21	2.19	0.010	30/12/2019
DRB-HICOM BHD-C92	0.090	29.87	25.39	19.21	0.085	16/3/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
MUAR BAN LEE GRP-WA	0.540	78.14	86.40	99.32	0.550	28/11/2022
AMM BK -CW20 MAYBANK-CG	0.215	73.03	77.79	89.63	0.215	26/6/2020
GUAN CHONG BH-WB	1.350	70.94	67.55	31.91	1.580	4/11/2022
ECO WORLD INTERNATIONAL-WA	0.160	70.23	69.87	48.14	0.175	4/4/2022

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.**

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