

18 December 2019

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Research Highlights

BURSA	17-Dec	Day chg	% chg
KLCI	1,577.0	7.6	0.48%
FTSE EMAS	11,229.4	47.1	0.42%
FTSE Smallcap	13,947.2	-34.54	-0.25%
FTSE MESDAQ	5,054.1	103.7	2.10%
KLSE Mkt Cap (RM'b)	1,617.8	4.5	0.28%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	48.42	42.05
Local Retail	8.69	26.33
Foreign	-57.10	31.62

INDICES	17-Dec	Day chg	% chg
Dow Jones	28,267.2	31.3	0.11%
S&P 500	3,192.5	1.1	0.03%
NASDAQ	8,823.4	9.1	0.10%
FTSE-100	7,525.3	6.2	0.08%
Nikkei 225	24,066.1	113.8	0.47%
SHCOMP	3,022.4	38.0	1.27%
HSI	27,843.7	335.6	1.22%
STI	3,200.8	-5.3	-0.16%
KOSPI	2,195.7	27.5	1.27%
TWSE	12,097.0	157.2	1.32%
JCI	6,244.4	32.8	0.53%
SET	1,548.7	-1.1	-0.07%

FOREX	17-Dec	16-Dec	% chg
USD/MYR:	4.1425	4.1427	0.00%
EUR/USD:	1.1160	1.1139	0.19%
GBP/USD:	1.3205	1.3368	-1.22%
USD/YEN:	109.55	109.42	0.12%
USD/SGD:	1.3548	1.3551	-0.02%
USD/HKD:	7.7893	7.7909	-0.02%

KEY STATS

KLCI Spot			
Vol (m shares):	2,346.4	2,290.8	2.43%
Value (RMm):	1,993.7	1,766.0	12.89%
KLCI Future			
December-19	1,580.0	1,572.0	0.51%
January-19	1,583.0	1,575.0	0.51%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	928.8	922.0	0.73%
SoyOil (US\$/lb)	34.1	33.4	2.00%
Gold (US\$/troy oz)	1,480.6	1,480.5	0.01%
Nymex crude oil (US\$/bbl)	60.9	60.2	1.21%
Latex (RM/kg)	4.61	4.59	0.44%
Tin (US\$/mt)	N.A	17,218.0	N.A

NEWS HIGHLIGHTS

- Fiamma's unit to dispose of agriculture land for RM39.2m
- GFM services widens scope to O&G maintenance sector
- Alam Maritim gets RM6.6m work order from Petronas Carigali
- Heitech Padu sells stake in 80%-owned mobile app unit for RM13.5m
- Asia Poly unit signs RE power purchase agreement with TNB

MACRO BITS

- JP Morgan raises 2020 oil price view on OPEC+ cuts, improved economic outlook
- Britain threatens Brexit cliff-edge to force EU trade deal by December 2020
- Education Ministry has no plan to cut PTPTN loans by half — Teo
- KL-Singapore HSR to go ahead after 'some adjustments', says Dr Mahathir
- MPOB: CPO windfall tax only imposed when prices surpass threshold level
- China objects to Malaysia's U.N. submission on South China Sea – SCMP
- China won't resort to massive infrastructure stimulus as investment slows
- Indonesia warns on EU trade deal, dairy imports amid palm oil spat
- U.S. manufacturing production rises more than expected in November
- U.S. finalizing rules to limit sensitive tech exports to China, others
- EU executive urges euro zone to use fiscal policy to bolster ECB
- UK factory output slides in three months to December at fastest rate since 2009: CBI
- Euro zone trade surplus jumps more than expected in October

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Notes: SCIENTX, TOPGLOV
- On Our Technical Watch: KESM, IJM

#	Top Volume				Top Gainer				Top Loser			
1	CIMB	5.22	-0.8	9.81	TOPGLOV	4.66	4.7	5.70	MISC	8.35	-2.5	5.41
2	SIME	2.28	-0.9	7.82	MAXIS	5.21	2.6	1.81	PETGAS	17.00	-2.3	1.79
3	MAYBANK	8.55	0.4	7.65	HARTA	5.22	2.4	2.85	PETDAG	23.00	-1.7	0.48
4	GENM	3.23	0.6	7.40	IHH	5.45	1.9	3.41	AIRPORT	7.41	-0.9	3.98
5	DIGI	4.53	0.4	6.02	IOICORP	4.62	1.5	4.56	SIME	2.28	-0.9	7.82
6	TOPGLOV	4.66	4.7	5.70	AMBANK	3.85	1.3	1.88	CIMB	5.22	-0.8	9.81
7	MISC	8.35	-2.5	5.41	TENAGA	13.22	1.2	3.38	PPB	18.34	-0.7	0.56
8	DIALOG	3.42	0.6	4.62	AXIATA	4.23	1.2	2.26	RHBBANK	5.65	-0.4	3.10
9	IOICORP	4.62	1.5	4.56	GENTING	5.94	1.2	4.42	NESTLE	144.00	-0.2	0.10
10	GENTING	5.94	1.2	4.42	PBBANK	19.00	0.9	3.65	PCHEM	7.24	0.0	4.34

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Fiamma's unit to dispose of agriculture land for RM39.2m**

Fiamma Holdings Bhd's wholly-owned unit, Oaksvilla Sdn Bhd, has entered into a sale and purchase agreement with Amber Land Bhd to dispose of 18 parcels of its leasehold agriculture land in Kota Tinggi, Johor for RM39.2m. In a filing to Bursa Malaysia, Fiamma said the proposed disposal will enable the company to realise the value of the land, which has been vacant and unused. "The proceeds from the proposed disposal will be used as working capital for Fiamma's business operations, thus improving liquidity," it said. (*The Edge*)

- **GFM services widens scope to O&G maintenance sector**

Integrated facilities management service provider GFM Services Bhd (GFM) has announced the proposed acquisition of approximately 49.0% stake in a downstream oil and gas player, Highbase Strategic Sdn Bhd (HSSB). The managing director the acquisition enlarges the group scope of works and competencies and gives access to a new customer segment. "We believe it is an opportune time to enter the oil and gas (O&G) industry as optimism and activities for service providers are expected to pick up," he said in a filing with Bursa Malaysia. Under the proposed acquisition, GFM will subscribe for 2.9m new HSSB shares, representing approximately 49.0% stake in HSSB for RM1.00. (*Bernama*)

- **Alam Maritim gets RM6.6m work order from Petronas Carigali**

Alam Maritim Resources Bhd has received a RM6.6m order for the provision of an anchor handling tug vessel from Petronas Carigali Sdn Bhd. In a bourse filing, the group said its wholly-owned subsidiary Alam Maritim (M) Sdn Bhd had been awarded the work order from the Petroliaam Nasional Bhd's (Petronas') subsidiary. Specifically, Petronas Carigali will charter Alam Maritim's Taha Assafa vessel for 125 days, with a 30-day extension option. The contract took effect on Oct 3. "The contract is expected to contribute positively to the earnings and net tangible assets of Alam Maritim and its group of companies for the financial year ending Dec 31, 2019 (FY19) to 2020 (FY20)," the group said. (*The Edge*)

- **Heitech Padu sells stake in 80%-owned mobile app unit for RM13.5m**

Heitech Padu Bhd is looking to sell 6.9m shares in its 80%-owned subsidiary Dapat Vista (M) Sdn Bhd for RM13.5m, which it will use for working capital and to generate additional cash inflow. Dapat Vista, according to Heitech Padu in a bourse filing, is currently involved in the business of mobile application and payment gateways. The group said it has entered a sale and purchase agreement (SPA) with Television Airtime Services Sdn Bhd to sell the shares. It did not, however, indicate as to how big a stake the shares represent in Dapat Vista. (*The Edge*)

- **Asia Poly unit signs RE power purchase agreement with TNB**

Asia Poly Holdings Bhd said its indirect subsidiary Asia Poly Bio Gas Sdn Bhd has entered into a renewable energy power purchase agreement (REPPA) with Tenaga Nasional Bhd (TNB). According to its filing with the bourse, the REPPA governs the obligations of Asia Poly to sell and deliver, and for TNB to purchase and accept renewable energy generated by the company. Asia Poly Bio Gas is 51.0%-owned by Asia Poly Green Energy Sdn Bhd, a wholly-owned subsidiary of Asia Poly, while Musteq Green Renewable Sdn Bhd owns the remaining 49.0% stake. (*The Edge*)



Macro Bits

Global

- [JP Morgan raises 2020 oil price view on OPEC+ cuts, improved economic outlook](#) JP Morgan on Tuesday raised its oil price outlook and forecast supply-demand balance to tighten next year against the backdrop of the OPEC and its allies increasing output cuts and stronger economic growth in emerging markets. *(Reuters)*
- [Britain threatens Brexit cliff-edge to force EU trade deal by December 2020](#) Britain set a hard deadline of December 2020 on Tuesday to reach a new trade deal with the European Union, betting that the prospect of another Brexit cliff-edge would force Brussels to move more quickly than usual to seal an accord. *(Reuters)*

Malaysia

- [Education Ministry has no plan to cut PTPTN loans by half — Teo Nie Ching](#) According to the Deputy Education Minister, the Ministry of Education (KPM) does not plan to do away with 50% of the National Higher Education Fund Corporation (PTPTN) loans for all PTPTN debtors. *(The Edge Markets)*
- [KL-Singapore HSR to go ahead after 'some adjustments', says Dr Mahathir](#) Prime Minister Tun Dr Mahathir Mohamad said the government will go ahead with the Kuala Lumpur-Singapore High Speed Rail (HSR) after making "some adjustments" to reduce the project's costs. *(The Edge Markets)*
- [MPOB: CPO windfall tax only imposed when prices surpass threshold level](#) The Malaysian Palm Oil Board said the windfall profit tax on planters is only imposed when the CPO prices surpass the threshold level set in 2009. *(The Edge Markets)*

Asia Pacific

- [China objects to Malaysia's U.N. submission on South China Sea – SCMP](#) China has protested against Malaysia filing a submission with the United Nations last week seeking to establish the limits of Malaysia's continental shelf in the northern part of the disputed South China Sea, the South China Morning Post reported on Tuesday. *(Reuters)*
- [China won't resort to massive infrastructure stimulus as investment slows](#) China will take a targeted approach to boosting investment and will not resort to massive stimulus in its infrastructure push, the state planner said on Tuesday, as Beijing ramps up support to stabilise its slowing economy. *(Reuters)*
- [Indonesia warns on EU trade deal, dairy imports amid palm oil spat](#) Indonesia is prepared to walk away from talks on a free trade deal with the European Union over the bloc's stance on palm oil, while also launching a probe into subsidies on dairy imports from the EU, a trade ministry official said. *(Reuters)*

Americas

- [U.S. manufacturing production rises more than expected in November](#) U.S. manufacturing output rebounded more than expected in November, as the end of an almost six-week strike at General Motors plants boosted auto production. *(Reuters)*
- [U.S. finalizing rules to limit sensitive tech exports to China, others](#) The Trump administration is finalizing a set of narrow rules to limit exports of sophisticated technology to adversaries like China, a document seen by Reuters shows, in a boon to U.S. industry that feared a much tougher crackdown on sales abroad. *(Reuters)*

Europe

- [EU executive urges euro zone to use fiscal policy to bolster ECB](#) The European Commission called on euro zone governments on Tuesday to use fiscal policy and engage in structural reforms to help the European Central Bank's efforts to boost inflation and job creation. *(Reuters)*
- [UK factory output slides in three months to December at fastest rate since 2009: CBI](#) British factory output fell at the fastest pace in more than 10 years during the three months leading up to Prime Minister Boris Johnson's election victory, underscoring the challenge he faces to boost the economy. *(Reuters)*
- [Euro zone trade surplus jumps more than expected in October](#) The euro zone's seasonally unadjusted trade surplus rose more than expected in October compared with a year earlier thanks to a sharp fall in energy imports, data showed on Tuesday. *(Reuters)*



18 December 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	47.700	8.21	5.65	1.56	47.700
RANHILL HOLDINGS BHD	1.080	19.95	12.90	1.17	1.080
MALAYSIA AIRPORTS HLDGS BHD	7.410	24.08	16.57	4.38	7.300
BLD PLANTATION BHD	5.260	25.69	20.09	1.88	5.260
LPI CAPITAL BERHAD	14.660	25.74	26.31	35.45	14.600
MAGNUM BHD	2.500	26.26	20.80	8.11	2.500
KNM GROUP BHD	0.330	26.34	21.00	6.94	0.325
GAS MALAYSIA BHD	2.590	26.67	21.33	5.81	2.570
CAPITALAND MALAYSIA MALL TRU	1.000	28.84	21.95	7.41	1.000
FRASER & NEAVE HOLDINGS BHD	33.340	29.68	23.84	11.74	33.200

*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
BATU KAWAN BHD	17.000	85.16	87.86	79.60	17.160
FRONTKEN CORP BHD	2.390	83.76	89.06	97.87	2.400
IJM PLANTATIONS BHD	2.130	78.47	79.39	63.54	2.190
YNH PROPERTY BHD	2.720	76.75	84.01	96.68	2.720
TA ANN HOLDINGS BERHAD	3.200	74.83	74.31	66.98	3.230
KAREX BHD	0.520	74.13	81.77	97.12	0.540
FOCUS DYNAMICS GROUP BHD	0.455	73.84	77.19	77.03	0.465
ALLIANZ MALAYSIA BHD	14.860	73.24	77.58	84.27	14.900
JOHORE TIN BHD	1.840	73.18	72.95	63.23	1.890
TITIJAYA LAND BHD	0.305	73.15	83.28	99.30	0.320
SCGM BHD	1.610	73.05	76.51	87.80	1.630
JHM CONSOLIDATION BHD	1.600	72.84	77.64	91.75	1.640
SARAWAK OIL PALMS BERHAD	3.600	72.30	70.67	51.82	3.750
KESM INDUSTRIES BHD	9.050	71.81	74.72	84.53	9.100
MKH BHD	1.650	71.81	69.64	43.88	1.710
BERJAYA CORP BHD	0.245	71.78	83.39	99.49	0.245
HAP SENG PLANTATIONS HLDGS	1.980	71.37	70.74	62.96	2.030
SCICOM (MSC) BHD	1.220	71.08	75.17	90.06	1.230
TDM BHD	0.310	70.91	69.23	57.39	0.335
RIMBUNAN SAWIT BHD	0.340	70.76	69.21	63.91	0.360
JCY INTERNATIONAL BHD	0.235	70.24	76.45	92.20	0.240
ECO WORLD DEVELOPMENT GROUP	0.745	70.17	72.43	66.57	0.830

*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
KNM GROUP-WB	0.035	22.86	20.15	28.35	0.025	21/4/2020
S&P 500 INDEX-HI	0.005	25.58	24.39	11.74	0.005	23/12/2019
DRB-HICOM BHD-C92	0.075	27.79	23.66	7.44	0.075	16/3/2020
FTSE Bursa Ma-7N	0.120	28.26	24.32	8.14	0.120	31/3/2020
DRB-HICOM BHD-C93	0.020	28.49	18.96	1.26	0.015	13/4/2020
HANG SENG IND-8J	0.070	28.55	22.08	3.66	0.065	27/2/2020
DRB-HICOM BHD-C89	0.035	29.02	26.75	31.58	0.035	30/6/2020
HANG SENG IND-8E	0.005	29.37	24.47	4.21	0.005	30/12/2019
HANG SENG IND-8Z	0.185	29.64	22.98	2.41	0.185	28/4/2020
HANG SENG IND-8W	0.240	29.81	23.12	3.84	0.230	30/3/2020
HANG SENG IND-8F	0.035	30.00	23.89	4.64	0.025	30/12/2019

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
FRONTKEN CORP-CE	0.225	82.48	89.34	98.91	0.240	26/3/2020
REVENUE GROUP BHD -WA	1.040	82.06	85.62	94.51	1.050	14/1/2024
MAYBANK-CH	0.245	81.47	86.44	97.36	0.250	26/6/2020
ECO WORLD DEVELOPMENT-WA	0.245	78.74	79.62	74.40	0.300	26/3/2022
FRONTKEN CORP-CF	0.160	78.72	84.91	96.73	0.160	16/3/2020
GUNUNG CAPITAL BHD-WB	0.095	73.72	80.61	97.41	0.110	4/10/2020
ECO WORLD INTERNATIONAL-WA	0.215	72.69	73.11	78.26	0.250	4/4/2022
EDEN INC -WB	0.060	71.32	77.18	95.42	0.060	13/8/2021

Source: Bloomberg

18 December 2019

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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