

20 December 2019

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## Research Highlights

BURSA	19-Dec	Day chg	% chg
KLCI	1,596.4	-2.75	-0.17%
FTSE EMAS	11,321.1	-34.4	-0.30%
FTSE Smallcap	13,844.8	-130.54	-0.93%
FTSE MESDAQ	4,995.9	-2.5	-0.05%
KLSE Mkt Cap (RM'b)	1,629.8	-5.4	-0.33%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-16.98	49.51
Local Retail	46.30	27.34
Foreign	-29.32	23.15

INDICES	19-Dec	Day chg	% chg
Dow Jones	28,377.0	137.7	0.49%
S&P 500	3,205.4	14.2	0.45%
NASDAQ	8,887.2	59.5	0.67%
FTSE-100	7,573.8	33.1	0.44%
Nikkei 225	23,864.9	-69.6	-0.29%
SHCOMP	3,017.1	0.0	0.00%
HSI	27,800.5	-83.7	-0.30%
STI	3,207.4	-2.1	-0.07%
KOSPI	2,196.6	1.8	0.08%
TWSE	12,018.9	-103.6	-0.85%
JCI	6,249.9	-37.3	-0.59%
SET	1,573.5	9.8	0.62%

FOREX	19-Dec	18-Dec	% chg
USD/MYR:	4.1412	4.1388	0.06%
EUR/USD:	1.1144	1.1134	0.09%
GBP/USD:	1.3105	1.3097	0.06%
USD/YEN:	109.52	109.46	0.05%
USD/SGD:	1.3555	1.3554	0.01%
USD/HKD:	7.7985	7.7893	0.12%

### KEY STATS

KLCI Spot			
Vol (m shares):	2,110.4	2,503.2	-15.69%
Value (RMm):	1,703.1	2,027.8	-16.01%
KLCI Future			
December-19	1,603.5	1,602.0	0.09%
January-19	1,607.0	1,604.5	0.16%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	924.5	928.5	-0.43%
SoyOil (USc/lb)	34.1	33.7	1.04%
Gold (US\$/troy oz)	1,484.4	1,478.7	0.39%
Nymex crude oil (US\$/bbl)	61.2	60.9	0.48%
Latex (RM/kg)	4.52	4.58	-1.20%
Tin (US\$/mt)	N.A	17,305.0	N.A

### NEWS HIGHLIGHTS

- Guan Chong expands global footprint with European acquisition
- Bland's US\$1b Okinawa project to start in June
- E&O to raise up to RM1.5b via sukuk programme
- Puncak Niaga unit gets bills of demand for RM5.3m from customs
- Parlo launches its first B2C travel programme Buddy Up

### MACRO BITS

- Divided U.S. House impeaches Donald Trump in historic vote
- China announces new tariff exemptions for U.S. chemical, oil products
- Five agreements sealed at KL Summit 2019
- List of recipients eligible for petrol subsidy programme to be out in February
- November car sales pick up 9% on-year amid more promo campaigns
- Holds key rates steady, signals easing cycle in 2020 to boost growth (Economic Viewpoint: Bank Indonesia Rate Decision)
- BOJ keeps policy steady, offers gloomier view on output
- China's economy may face greater downward pressure in 2020: premier
- U.S. weekly jobless claims fall; mid-Atlantic factory activity almost stalls
- U.S. current account deficit narrows in third quarter
- Defying PM Johnson, Scottish leader steps up battle for independence referendum
- ECB rates can still go much lower, staff research shows
- Sweden ends five years of negative rates with hike to zero

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

- Visit Note: Technology
- Results Note: AEONCR, MYNEWS
- On Our Technical Watch: OSK, YTLPOWR
- Rating Summary
- Economic Viewpoint: Bank Indonesia Rate Decision

#	Top Volume	Top Gainer	Top Loser
1	MAYBANK 8.70 0.7 13.40	NESTLE 147.00 1.9 0.13	IHH 5.54 -6.6 5.95
2	GENM 3.22 0.0 12.20	PPB 18.90 1.5 1.00	RHBBANK 5.74 -1.2 5.20
3	CIMB 5.33 0.0 11.40	HARTA 5.34 0.8 2.51	AXIATA 4.20 -1.2 5.21
4	TOPGLOV 4.81 0.4 11.40	MAYBANK 8.70 0.7 13.40	PETGAS 16.80 -1.2 1.01
5	DIGI 4.52 0.0 9.20	MAXIS 5.41 0.6 3.43	IOICORP 4.60 -0.9 5.28
6	GENTING 6.04 0.2 7.60	PMETAL 4.70 0.4 4.69	TENAGA 13.12 -0.5 5.35
7	PCHEM 7.36 -0.3 7.45	TOPGLOV 4.81 0.4 11.40	SIME 2.29 -0.4 6.30
8	AIRPORT 7.62 -0.4 7.28	HLFG 16.88 0.4 0.43	AIRPORT 7.62 -0.4 7.28
9	PBBANK 19.62 0.3 6.47	HLBANK 17.56 0.3 0.56	SIMEPLT 5.35 -0.4 4.15
10	SIME 2.29 -0.4 6.30	PBBANK 19.62 0.3 6.47	PCHEM 7.36 -0.3 7.45

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Guan Chong expands global footprint with European acquisition**

JOHOR-based Guan Chong Bhd, the world's fourth largest cocoa grinder, is buying Europe-based chocolate maker Schokkinag Holding GMBH (SHG) for €29.9m (RM137.8m) as part of the group's global expansion strategy. Guan Chong said the proposed acquisition will enable it to expand its presence to Europe and position the group to target new growth opportunities in the world's largest chocolate consuming market. "Through the (exercise), the company expands its product range into the downstream industrial chocolate business-to-business market," it said in a bourse filing. (*The Edge*)

- **BLand's US\$1.0b Okinawa project to start in June**

Berjaya Group's US\$1.0b Four Seasons Resort and Private Residences on the island of Okinawa in Japan will start construction by June next year. Berjaya Land Bhd (BLand) chief executive officer said the Four Seasons Resort and Private Residences will be the most iconic development in Japan, setting a benchmark. It will emulate the success of Four Seasons Hotel and Hotel Residences Kyoto by Berjaya Group which was launched in December 2016. BLand unit Berjaya Okinawa Development Co. Ltd inked a management agreement with Four Seasons Hotels and Resorts on January 17 this year for the project. (*New Straits Times*)

- **E&O to raise up to RM1.5b via sukuk programme**

Eastern & Oriental Bhd (E&O) plans to set up a sukuk programme to raise up to RM1.5b to finance the costs of land reclamation, infrastructure and development for its Seri Tanjung Pinang 2 (STP2A) development in Penang. The property developer said the proceeds from the issuance will also be used to repay borrowings, for working capital and to defray expenses incurred in relation to the sukuk issuance. In a bourse filing, E&O said its subsidiary, Tanjung Pinang Development Sdn Bhd, has lodged with the Securities Commission Malaysia all the required information and relevant documents relating to the Sukuk Murabahah programme. (*The Edge*)

- **Puncak Niaga unit gets bills of demand for RM5.3m from customs**

Puncak Niaga Holdings Bhd's wholly-owned subsidiary, Puncak Niaga Management Services Sdn Bhd (PNMSSB), has received two bills of demand from the Royal Malaysian Customs Department for Good and Services Tax payment totalling RM5.3m. It said the demand was for the period from Feb 1, 2016 to Dec 31, 2017. In a filing to Bursa Malaysia, Puncak Niaga said PNMSSB had sought advice from its tax agent and solicitors on the next course of action. "Based on the preliminary advice received, PNMSSB will contest and appeal against the demand," the company said, adding it would make the requisite announcement on further developments on the matter. (*Bernama*)

- **Parlo launches its first B2C travel programme Buddy Up**

Travel management and services group Parlo Bhd has launched its first business-to-consumer (B2C) programme 'Buddy Up' — the first of its kind within the travel industry — to sell its travel products and tour packages while earning commissions. In a statement, Parlo chief executive officer said with Buddy Up, both Parlo and its travel partner's customers can advocate and directly sell inventories available in Parlo's platform to fellow customers, earning commissions of up to 10.0% of the travel package's selling price. He said this was a great opportunity for homemakers and anyone who wants to earn additional income. (*The Edge*)



## Macro Bits

### Global

- [Divided U.S. House impeaches Donald Trump in historic vote](#) Donald Trump became the third U.S. president to be impeached as the House of Representatives formally charged him with abuse of power and obstruction of Congress in a historic step that will inflame partisan tensions across a deeply divided America. *(Reuters)*
- [China announces new tariff exemptions for U.S. chemical, oil products](#) China on Thursday unveiled a new list of import tariff exemptions for six chemical and oil products from the United States, days after the world's two largest economies announced a Phase 1 trade deal. *(Reuters)*

### Malaysia

- [Five agreements sealed at KL Summit 2019](#) Five Memoranda of Understanding (MoUs) were sealed at the Kuala Lumpur Summit (KL Summit) 2019 today by Muslim countries' government agencies and companies. They cover the aspects of youth exchange, food security, media collaboration, defence and security. *(The Edge Markets)*
- [List of recipients eligible for petrol subsidy programme to be out in February](#) The Ministry of Domestic Trade and Consumer Affairs expects to release the final list of recipients eligible for the petroleum subsidy programme (PSP) in February, said its Deputy Minister Chong Chieng Jen. *(The Edge Markets)*
- [November car sales pick up 9% on-year amid more promo campaigns](#) Car sales in the month of November rose 9% from a year ago, thanks to more year-end promotional campaigns. *(The Edge Markets)*

### Asia Pacific

- [Holds key rates steady, signals easing cycle in 2020 to boost growth](#) Bank Indonesia (BI) yesterday kept its 7-day repo rate unchanged at 5.00% for the second straight month. *(Economic Viewpoint: Bank Indonesia Rate Decision)*
- [BOJ keeps policy steady, offers gloomier view on output](#) The Bank of Japan kept monetary settings steady on Thursday and maintained its upbeat view on the economy, suggesting policymakers are in no hurry to boost stimulus even as global risks threaten a fragile recovery. *(Reuters)*
- [China's economy may face greater downward pressure in 2020: premier](#) China's economy could face more downward pressure in 2020 than it did this year, but the government will take steps to keep growth within a reasonable range, state television on Thursday quoted Premier Li Keqiang as saying. *(Reuters)*

### Americas

- [U.S. weekly jobless claims fall; mid-Atlantic factory activity almost stalls](#) The number of Americans filing applications for unemployment benefits dropped from more than a two-year high last week, pointing to sustained labor market strength. *(Reuters)*
- [U.S. current account deficit narrows in third quarter](#) The Commerce Department said the current account deficit, which measures the flow of goods, services and investments into and out of the country, decreased 0.9% to \$124.1 billion last quarter, the lowest level since the second quarter of 2018. *(Reuters)*

### Europe

- [Defying PM Johnson, Scottish leader steps up battle for independence referendum](#) Scotland's nationalist leader Nicola Sturgeon will consider "all reasonable options" if Prime Minister Boris Johnson tries to stop her from holding a referendum on Scottish independence, she said on Thursday. *(Reuters)*
- [ECB rates can still go much lower, staff research shows](#) European Central Bank interest rates, already deep in negative territory, could go much lower before any further cuts become counterproductive, new research by the bank's staff showed on Thursday. *(Reuters)*
- [Sweden ends five years of negative rates with hike to zero](#) Sweden's central bank ended five years of negative interest rates on Thursday when it raised benchmark borrowing costs by a quarter point to zero, defying an economic slowdown and global uncertainty. *(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	46.480	12.10	11.96	19.70	45.620
INARI AMERTRON BHD	1.610	23.05	17.53	3.85	1.590
BLD PLANTATION BHD	5.260	25.69	20.09	1.88	5.260
SLP RESOURCES BHD	1.200	27.84	21.39	10.68	1.200
AJINOMOTO MALAYSIA BHD	14.560	28.50	28.83	22.39	14.520
CAN-ONE BHD	2.900	28.52	25.97	19.28	2.850
GEORGE KENT (MALAYSIA) BHD	0.940	29.83	25.22	6.84	0.925

\*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
BATU KAWAN BHD	17.120	86.34	89.13	85.07	17.160
FRONTKEN CORP BHD	2.360	77.58	79.76	74.92	2.400
YNH PROPERTY BHD	2.740	76.21	81.11	75.64	2.750
SARAWAK PLANTATION BHD	1.910	75.82	80.15	92.81	1.910
IJM PLANTATIONS BHD	2.120	75.54	74.76	52.87	2.190
PPB GROUP BERHAD	18.900	74.94	79.70	88.97	19.200
HCK CAPITAL GROUP BHD	1.250	74.10	88.38	99.84	1.250
TA ANN HOLDINGS BERHAD	3.200	73.76	72.32	56.37	3.230
JHM CONSOLIDATION BHD	1.600	71.47	75.14	78.62	1.640
O.S.K. HOLDINGS BHD	0.980	71.38	78.76	94.78	0.990
SARAWAK OIL PALMS BERHAD	3.600	71.31	69.15	48.54	3.750
ALLIANZ MALAYSIA BHD	14.860	70.84	73.18	71.35	14.940
QL RESOURCES BHD	8.040	70.82	72.27	75.43	8.060
TOP GLOVE CORP BHD	4.810	70.55	76.79	93.47	4.830
KAREX BHD	0.520	70.14	74.39	72.05	0.540

\*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
INARI AMERTRO-C53	0.035	20.08	13.02	3.34	0.030	7/9/2020
KOMARKCORP-WB	0.005	21.35	15.26	3.27	0.005	21/1/2020
INARI AMERTRO-C48	0.050	21.44	15.31	5.82	0.045	31/3/2020
INARI AMERTRO-C49	0.060	23.65	17.53	7.60	0.060	27/4/2020
INARI AMERTRO-C50	0.040	26.72	22.89	18.15	0.035	30/4/2020
INARI AMERTRO-C47	0.045	28.89	24.59	16.41	0.040	30/4/2020
HANG SENG IND-8J	0.065	28.93	23.45	18.05	0.060	27/2/2020
HANG SENG IND-8F	0.020	29.17	22.80	3.75	0.020	30/12/2019
HANG SENG IND-8E	0.005	29.37	24.47	4.21	0.005	30/12/2019
HANG SENG IND-8W	0.230	29.66	23.43	12.15	0.215	30/3/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
ECO WORLD DEVELOPMENT-WA	0.255	76.02	75.85	64.99	0.300	26/3/2022
REVENUE GROUP BHD-WA	1.000	72.58	72.27	60.54	1.080	14/1/2024

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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