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## Research Highlights

### NEWS HIGHLIGHTS

- JHM Consolidation to transfer to Main Market
- Poh Huat 4Q net profit sinks 28.9%, proposes 2.0 sen dividend
- Borneo Oil plans placement to raise RM30.6m for limestone ops
- FSBM slips into PN17 status after auditor expressed disclaimer of opinion on accounts
- HPP Holdings seeks ACE Market listing to raise funds for capex, expansion

### MACRO BITS

- Trump says U.S.-China trade deal will be signed on January 15
- Trump says he does not want, nor foresee, war with Iran
- M3 growth weakest in over 3 years, loan growth remained at a 16-year low (*See Economic Viewpoint: Malaysia Money & Credit*)
- Malaysia's reserves at USD103.17b at end-Nov 2019 — BNM
- Sentiments in international financial markets mixed in November, says BNM
- 'Shared Prosperity' framework as the compass for Malaysia's national planning
- China cuts banks' reserve ratios again, frees up USD115b to spur economy
- China's central bank says economic growth resilient despite large pressure
- India cuts tax on palm oil imports, could lift shipments
- Trump says happy to have a trial in the Senate, but he does not really care
- Fed sees small take-up of repo, rates fall for year-end
- Boris Johnson pledges to 'waste no time' in delivering Brexit in 2020
- France's Macron pledges to push through pension reform

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

- Market Strategy: 1Q20 Investment Strategy
- Sector Update: Banking, Plantation, Property, Rubber Gloves, Technology, Telecommunications
- On Our Technical Watch: ANNJOO, TAKAFUL
- Economic Viewpoint: Malaysia Money & Credit

BURSA	31-Dec	Day chg	% chg
KLCI	1,588.8	-26.91	-1.67%
FTSE EMAS	11,323.5	-149.1	-1.30%
FTSE Smallcap	14,164.4	-60.14	-0.42%
FTSE MESDAQ	5,226.6	36.5	0.70%
KLSE Mkt Cap (RM'b)	1,635.6	-17.6	-1.07%

### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	148.83	44.96
Local Retail	47.32	29.92
Foreign	-196.15	25.12

INDICES	31-Dec	Day chg	% chg
Dow Jones	28,538.4	76.3	0.27%
S&P 500	3,230.8	9.5	0.29%
NASDAQ	8,972.6	26.6	0.30%
FTSE-100	7,542.4	-44.6	-0.59%
Nikkei 225	N.A.	N.A.	N.A.
SHCOMP	3,050.1	10.1	0.33%
HSI	28,189.8	-129.6	-0.46%
STI	3,222.8	0.4	0.01%
KOSPI	N.A.	N.A.	N.A.
TWSE	11,997.1	-56.2	-0.47%
JCI	N.A.	N.A.	N.A.
SET	N.A.	N.A.	N.A.

FOREX	31-Dec	30-Dec	% chg
USD/MYR:	4.0910	4.1070	-0.39%
EUR/USD:	1.1217	1.1194	0.21%
GBP/USD:	1.3175	1.3118	0.43%
USD/YEN:	108.54	109.14	-0.55%
USD/SGD:	1.3455	1.3489	-0.25%
USD/HKD:	7.7867	7.7865	0.00%

### KEY STATS

#### KLCI Spot

Vol (m shares):	2,254.6	2,342.9	-3.77%
Value (RMm):	1,753.4	1,638.5	7.01%

#### KLCI Future

January 20	1,595.0	1,622.0	-1.66%
February 20	1,595.0	1,622.0	-1.66%

CPO Price (RM/tonne)	3,052.0	3,128.0	-2.43%
Soybean (US\$/bu)	943.0	939.5	0.37%
SoyOil (US\$/lb)	34.8	35.5	-1.92%
Gold (US\$/troy oz)	1,523.1	1,518.6	0.30%
Nymex crude oil (US\$/bbl)	61.1	61.7	-1.01%
Latex (RM/kg)	4.53	4.54	-0.33%
Tin (US\$/mt)	17,178.0	17,023.0	0.91%

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	GENM	3.29	-0.6	15.80	HAPSENG	9.98	0.0	0.57	IHH	5.47	-4.0	3.93
2	CIMB	5.15	-3.0	9.76	PMETAL	4.65	0.0	1.95	SIME	2.22	-3.1	7.09
3	SIME	2.22	-3.1	7.09	DIALOG	3.45	-0.3	2.93	CIMB	5.15	-3.0	9.76
4	MAYBANK	8.64	-0.9	6.93	RHBBANK	5.78	-0.3	1.86	PBBANK	19.44	-2.7	3.43
5	HARTA	5.48	-1.4	5.97	GENM	3.29	-0.6	15.80	PPB	18.84	-2.4	0.36
6	PCEM	7.35	-0.7	5.18	PCEM	7.35	-0.7	5.18	TENAGA	13.26	-2.1	3.38
7	MISC	8.35	-1.1	4.91	HLFG	16.90	-0.7	0.23	SIMEPLT	5.45	-2.0	4.06
8	GENTING	6.05	-0.8	4.90	NESTLE	147.00	-0.7	0.06	IOICORP	4.61	-1.9	2.51
9	DIGI	4.46	-0.9	4.14	AMBANK	3.91	-0.8	1.57	HLBANK	17.30	-1.7	0.49
10	SIMEPLT	5.45	-2.0	4.06	GENTING	6.05	-0.8	4.90	AXIATA	4.14	-1.7	3.96

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **JHM Consolidation to transfer to Main Market**

Microelectronics components (MECs) maker JHM Consolidation Bhd plans to transfer its listing from the ACE Market to the Main Market of Bursa Malaysia, saying it has met requirements for the transfer. This includes satisfying the profit track record requirements, having a healthy financial position and liquidity, as well as an adequate public shareholding spread, JHM Consolidation said in a stock exchange filing. The group said it achieved an adjusted consolidated profit after tax (PAT) of RM30.03 million for the financial year ended Dec 31, 2018 (FY18) and aggregate adjusted consolidated PAT of RM73.5m between FY16 and FY18. *(The Edge)*

- **Poh Huat 4Q net profit sinks 28.9%, proposes 2.0 sen dividend**

Furniture-maker Poh Huat Resources Holdings Bhd's net profit fell 28.9% to RM14.8m in the fourth quarter ended Oct 31, 2019 (4QFY19) from RM20.9m a year ago, on lower contribution from both its Malaysian and Vietnamese operations, as well as lower other income. Quarterly revenue, however, grew a marginal 1.4% to RM192.1m from RM189.5m last year, it said in a filing to Bursa Malaysia. Its board of directors proposed a final dividend of 2.0 sen per share for shareholders' approval at the group's forthcoming annual general meeting. This will bring Poh Huat's total dividend payout for the financial year ended Oct 31, 2019 (FY19) to 7.0 sen per share, versus 6.0 sen in FY18. *(The Edge)*

- **Borneo Oil plans placement to raise RM30.6m for limestone ops**

Borneo Oil Bhd is planning to raise up to RM30.6m via private placement of up to 10.0% of its total issued shares to third party investors to be identified, to fund its limestone operations. Of the total proceeds to be raised, it wants to spend RM11.0m to install power grid and electrical substation for the quarry land located in Sabah; RM4.8m to build a conveyor belt delivery system to transport the limestone aggregates from its limestone quarry to the integrated limestone processing plant; and RM5.0m to upgrade the limestone quarry ops' general infrastructure. *(The Edge)*

- **FSBM slips into PN17 status after auditor expressed disclaimer of opinion on accounts**

FSBM Holdings Bhd has lapsed into Practice Note 17 (PN17) status after its auditor expressed a disclaimer of opinion on its audited financial statements for the financial year ended June 30, 2018 (FY18). Bursa Malaysia, which announced this in a statement, said it will continue to monitor the progress of FSBM in respect of its compliance with the listing requirements. FSBM's addition to the list of PN17 companies brings the total number of counters under the category to 23. *(The Edge)*

- **HPP Holdings seeks ACE Market listing to raise funds for capex, expansion**

HPP Holdings Bhd, which is involved in the printing, production, and sales and marketing of paper-based packaging, as well as trading and production of rigid boxes, is seeking a listing on the ACE Market of Bursa Malaysia to raise funds for capital expenditure and expansion, to repay borrowings and for working capital. According to its draft prospectus seen on the Securities Commission Malaysia's website, its initial public offering (IPO) entails the issuance of 88.7m new shares, representing 22.8% of the company's enlarged issued share capital. *(The Edge)*



## Macro Bits

### Global

- [Trump says U.S.-China trade deal will be signed on January 15](#) U.S. President Donald Trump said on Tuesday that Phase 1 of trade deal with China would be signed on Jan. 15 at the White House, though considerable confusion remains about the details of the agreement. *(Reuters)*
- [Trump says he does not want, nor foresee, war with Iran](#) U.S. President Donald Trump said on Tuesday he does not want, or foresee, war with Iran, after he earlier threatened to retaliate against the country following violent protests led by Iranian-backed militias at the U.S. embassy in Baghdad. *(Reuters)*

### Malaysia

- **M3 growth weakest in over 3 years, loan growth remained at a 16-year low.** M3 growth decreased to a 38-month low (2.8% YoY; Oct: 3.4%) as slower growth in public spending outweighed lessened decline in net external reserves. *(See Economic Viewpoint: Malaysia Money & Credit)*
- [Malaysia's reserves at USD103.17b at end-Nov 2019 — BNM](#) Malaysia's reserves remained usable as at end-November 2019, with official reserve assets at USD103.17b, in accordance with the International Monetary Fund's Special Data Dissemination Standard (IMF SDDS) format. *(The Edge Markets)*
- [Sentiments in international financial markets mixed in November, says BNM](#) Sentiments in the international financial markets were mixed in November 2019, driven mainly by ongoing developments in international trade negotiations, said Bank Negara Malaysia (BNM) today. *(The Edge Markets)*
- ['Shared Prosperity' framework as the compass for Malaysia's national planning](#) As we approach the dawn of a new decade, Malaysia will rely on its next big picture of foresight to be an important guide and compass for the country's national planning over the next 10 years. *(The Edge Markets)*

### Asia Pacific

- [China cuts banks' reserve ratios again, frees up USD115b to spur economy](#) China's central bank said on Wednesday it was cutting the amount of cash that all banks must hold as reserves, releasing around 800.0b yuan (USD114.91b) in funds to shore up the slowing economy. *(Reuters)*
- [China's central bank says economic growth resilient despite large pressure](#) China's central bank said on Wednesday that economic growth remains resilient despite relatively large downward pressure and mounting external uncertainty. *(Reuters)*
- [India cuts tax on palm oil imports, could lift shipments](#) India has cut import taxes on crude and refined palm oil from Southeast Asian (ASEAN) countries after a request from suppliers, a government notification said on Tuesday. The reduction will lead to higher imports of palm oil by the world's biggest edible oil buyer in coming months as it would narrow the difference between the tropical vegetable oil and competitors such as soyoil and sunflower oil. *(The Edge Markets)*

### Americas

- [Trump says happy to have a trial in the Senate, but he does not really care](#) U.S. President Donald Trump said on Tuesday he would be happy to have a trial in the U.S. Senate following his impeachment by the Democratic-led House of Representatives, but that he did not really care. *(Reuters)*
- [Fed sees small take-up of repo, rates fall for year-end](#) The Federal Reserve averted a year-end funding squeeze on Tuesday as large banks took only a small portion of USD150.0b on offer in its last overnight repo operation of 2019, and the cost of borrowing fell to its lowest level since March 2018. *(Reuters)*

### Europe

- [Boris Johnson pledges to 'waste no time' in delivering Brexit in 2020](#) Boris Johnson pledged to "waste no time" in delivering Brexit before moving on to the "people's priorities" of funding schools and hospitals. *(Bloomberg)*
- [France's Macron pledges to push through pension reform](#) French President Emmanuel Macron pledged on Tuesday to push through an overhaul of the pension system, after weeks of nationwide strikes by trade unions. *(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
AEON CREDIT SERVICE M BHD	14.140	24.96	16.36	0.87	14.140
RANHILL HOLDINGS BHD	1.070	26.48	23.26	7.70	1.060
BLD PLANTATION BHD	5.300	27.72	24.05	32.02	5.260
CAN-ONE BHD	2.870	28.31	26.23	18.94	2.850
SLP RESOURCES BHD	1.160	29.93	28.61	36.03	1.130

\*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
ALLIANZ MALAYSIA BHD	16.280	89.95	94.39	99.50	16.300
DATASONIC GROUP BHD	1.480	84.03	88.25	95.04	1.500
TDM BHD	0.420	80.30	82.99	94.43	0.435
SARAWAK PLANTATION BHD	2.100	80.28	82.83	83.06	2.110
TA ANN HOLDINGS BERHAD	3.500	79.13	79.49	71.30	3.560
O.S.K. HOLDINGS BHD	1.040	78.92	82.11	78.11	1.050
CB INDUSTRIAL PRODUCT HLDG	1.100	77.70	83.10	96.71	1.120
ENGTEX GROUP BHD	0.750	77.44	82.70	92.92	0.760
SARAWAK OIL PALMS BERHAD	4.100	77.00	77.26	71.33	4.210
MEGA FIRST CORP BHD	5.110	76.62	81.62	96.47	5.110
JF TECHNOLOGY BHD	1.520	75.40	80.56	93.56	1.550
IBRACO BHD	0.695	75.01	82.80	96.35	0.720
RIMBUNAN SAWIT BHD	0.430	73.93	74.03	71.03	0.465
JAYA TIASA HOLDINGS BHD	1.040	73.90	74.30	70.24	1.080
JCY INTERNATIONAL BHD	0.315	73.44	75.79	81.77	0.320
JHM CONSOLIDATION BHD	1.670	73.24	76.57	86.72	1.690
CARLSBERG BREWERY MALAYSIA B	29.400	71.81	78.55	89.98	29.740
KIM LOONG RESOURCES BHD	1.600	71.17	72.14	66.74	1.640
TH PLANTATIONS BHD	0.650	70.85	70.77	67.00	0.685
GLOBETRONICS TECHNOLOGY BHD	2.330	70.26	74.33	81.62	2.370

\*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
KOMARKCORP-WB	0.005	21.35	15.26	3.27	0.005	21/1/2020
HANG SENG IND-8W	0.155	23.72	15.51	1.17	0.145	30/3/2020
HANG SENG IND-8J	0.040	25.44	18.31	3.37	0.030	27/2/2020
AXIATA GROUP-C50	0.080	26.36	18.83	0.54	0.080	15/5/2020
AXIATA GROUP-C44	0.005	26.72	25.32	27.38	0.005	14/2/2020
TEO SENG CAPITAL BHD -WA	0.010	27.38	19.21	6.24	0.005	29/1/2020
TEK SENG HOLDINGS-WA	0.005	28.09	20.10	4.05	0.005	29/1/2020
TEK SENG HOLDINGS-WA	0.005	28.09	20.10	4.05	0.005	29/1/2020
HANG SENG IND-8K	0.220	29.28	20.96	17.12	0.205	27/2/2020
HANG SENG IND-8P	0.020	29.46	21.62	0.74	0.010	28/2/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
FGV HOLDINGS-C80	0.370	86.20	90.02	92.67	0.370	30/6/2020
DATASONIC GRO-C11	0.300	85.71	87.51	94.81	0.315	30/7/2020
MINHO M BHD-WC	0.100	84.02	90.93	99.78	0.105	2/8/2021
DATASONIC GRO-C12	0.225	81.58	83.14	90.68	0.235	30/7/2020
GUNUNG CAPITAL BHD-WB	0.125	75.94	78.70	63.23	0.140	4/10/2020
FGV HOLDINGS-C85	0.185	72.97	75.71	88.61	0.195	15/5/2020
SP SETIA BHD-C23	0.120	72.96	79.14	95.96	0.120	7/9/2020
FGV HOLDINGS-C82	0.325	72.29	74.80	80.85	0.335	13/4/2020
SERBA DINAMIK-CY	0.130	72.12	81.61	98.58	0.150	28/8/2020
VISDYNAMICS HOLDINGS-WB	0.180	70.31	75.65	78.99	0.190	16/11/2022
FGV HOLDINGS-C75	0.125	70.13	76.39	90.62	0.135	28/2/2020

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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