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Research Highlights

BURSA	23-Jun	Day chg	% chg
KLCI	1,507.0	-4.2	-0.28%
FTSE EMAS	10,591.6	-24.4	-0.23%
FTSE Smallcap	12,143.9	3.92	0.03%
FTSE MESDAQ	6,282.6	154.2	2.52%
KLSE Mkt Cap (RM'b)	1,515.5	-0.4	-0.02%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	48.6	46.0%
Local Retail	98.2	35.5%
Foreign	-146.8	18.5%

INDICES	23-Jun	Day chg	% chg
Dow Jones	26,266.6	241.6	0.93%
S&P 500	3,147.8	29.9	0.96%
NASDAQ	10,199.7	143.3	1.42%
FTSE-100	6,320.1	75.5	1.21%
Nikkei 225	22,549.1	111.8	0.50%
SHCOMP	2,970.6	5.3	0.18%
HSI	24,907.3	396.0	1.62%
STI	2,634.9	5.2	0.20%
KOSPI	2,131.2	4.5	0.21%
TWSE	11,612.4	39.4	0.34%
JCI	4,879.1	-39.7	-0.81%
SET	1,356.4	4.3	0.31%

FOREX	23-Jun	22-Jun	% chg
USD/MYR:	4.2752	4.2787	-0.08%
EUR/USD:	1.1292	1.1214	0.70%
GBP/USD:	1.2457	1.2381	0.61%
USD/YEN:	107.06	106.90	0.15%
USD/SGD:	1.3917	1.3952	-0.25%
USD/HKD:	7.7501	7.7501	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	8,746.5	6,334.3	38.08%
Value (RMm):	2,983.5	3,112.9	-4.16%
KLCI Future			
June-20	1,504.5	1,510.0	-0.36%
July-20	1,503.5	1,508.0	-0.30%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	874.8	876.3	-0.17%
SoyOil (USc/lb)	28.3	28.6	-0.88%
Gold (US\$/troy oz)	1,781.3	1,766.4	0.84%
Nymex crude oil (US\$/bbl)	40.8	40.5	0.87%
Latex (RM/kg)	4.84	4.84	0.00%
Tin (US\$/mt)	N.A.	16,986.0	N.A.

NEWS HIGHLIGHTS

- Sime Darby Property's Elmina Green Three Phase 1 and 2 more than 85% sold
- Production halts due to pandemic lockdown drag VS Industry into the red in 3Q
- Perdana Petroleum posts narrower 1Q net loss on higher vessel utilisation, sees boardroom change
- Covid-19 hits furniture maker Poh Huat's 2Q net profit
- Freight Management 3Q net profit down by 28%, pays one sen dividend

MACRO BITS

- WTO less downbeat on trade for 2020, more muted for 2021
- EU presses China over trade, warns on Hong Kong law
- Japan gives UK six weeks to strike a post-Brexit trade deal
- Indian and Chinese military agree to disengage on disputed Himalayan border
- Country's debt could hit 55%, fiscal discipline is maintained — Tengku Zafrul
- Wage subsidy programme saves 2.4 million jobs
- Dr Wee: Govt eyes creating comprehensive sea, land transportation system to ease import-export activities
- Singapore PM calls July 10 election as virus lockdown lifts
- Singapore's headline and core inflation falls further in May
- Bank Indonesia expects rupiah to strengthen to 13,700 per dollar in 2021
- U.S. business sector contraction eases in June
- Euro zone downturn eased in June, V-shaped recovery in doubt
- Britain's coronavirus slump tapers off in June, PMIs show

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- MidS: GKENT
- Results Note: AMWAY, DAYANG, SCIENTX, UMCCA, UZMA
- On Our Technical Watch: KRETAM, ATAIMS

#	Top Volume			Top Gainer			Top Loser					
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	15.64	0.3	16.00	PCHEM	6.43	2.6	2.98	HLFG	13.90	-2.7	0.21
2	GENM	2.68	-0.7	10.70	PETDAG	22.68	1.4	0.48	PBBANK	16.40	-2.3	3.60
3	DIALOG	3.63	1.1	9.67	KLCCSS	3.63	1.1	9.67	HAPSENG	8.74	-1.7	0.17
4	TM	4.03	-1.0	8.62	TENAGA	11.88	0.9	3.46	IHH	5.43	-1.6	1.88
5	CIMB	3.64	-1.4	7.37	NESTLE	139.90	0.7	0.05	RHBBANK	4.73	-1.5	4.69
6	GENTING	4.34	0.5	7.04	GENTING	4.34	0.5	7.04	CIMB	3.64	-1.4	7.37
7	AXIATA	3.48	-0.9	5.55	TOPGLOV	15.64	0.3	16.00	SIMEPLT	4.93	-1.0	0.95
8	RHBBANK	4.73	-1.5	4.69	IOICORP	4.34	0.2	1.77	TM	4.03	-1.0	8.62
9	HARTA	12.00	0.2	4.59	PPB	17.90	0.2	1.70	AXIATA	3.48	-0.9	5.55
10	DIGI	4.24	-0.2	4.45	PMETAL	4.60	0.2	0.40	GENM	2.68	-0.7	10.70

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Sime Darby Property's Elmina Green Three Phase 1 and 2 more than 85% sold**

Phase 1 and 2 at Elmina Green Three — the latest offering of two-storey houses in Sime Darby Property Bhd's City of Elmina — have seen a take-up rate of more than 85% during its two recent online preview sessions. During the online preview for Phase 1 on June 6, all 91 units were snapped up. Subsequently in the online preview for Phase 2 on June 20, the developer put up 127 units and some 76% have since been booked. *(The Edge)*

- **Production halts due to pandemic lockdown drag VS Industry into the red in 3Q**

Hit by temporary production halts due to the pandemic lockdown, VS Industry Bhd posted a net loss of RM21.2m for its third quarter ended April 30, 2020 (3QFY20) compared with a net profit of RM26.0m a year ago. The electronic manufacturing services provider warned of lower earnings in the current financial year amid cautious consumer spending. The last time VS Industry reported a net loss was in the quarter ended Sept 30, 2011 — some nine years ago. Its quarterly revenue came in at RM505.6m, down 43% from RM888.3m in the previous corresponding quarter. *(The Edge)*

- **Perdana Petroleum posts narrower 1Q net loss on higher vessel utilisation, sees boardroom change**

Perdana Petroleum Bhd posted a narrower net loss of RM13.9m for the first quarter ended March 31, 2020 (1QFY20), compared to a net loss of RM32.9m a year earlier, backed by higher vessel utilisation at 64% versus 36% in 1QFY19. This was achieved after taking into account additional allowance for impairment loss on personal protective equipment of RM10.9m as well as foreign exchange (forex) losses of RM4.4m, the group said in its results filing with Bursa Malaysia. *(The Edge)*

- **Covid-19 hits furniture maker Poh Huat's 2Q net profit**

Poh Huat Resources Holdings Bhd said its operations were affected by the Covid-19 pandemic, causing its net profit to fall 27% to RM6.9m in the second quarter ended April 30, 2020, from RM9.5m previously. "The disruption in business and daily activities has resulted in sharp contraction in both aggregate supply and demand due to movement restrictions, health concerns and economic uncertainties," the furniture maker said in a filing. Revenue fell 18% to RM121.2m during the quarter under review, compared to RM147.0m a year ago. *(The Edge)*

- **Freight Management 3Q net profit down by 28%, pays one sen dividend**

Freight Management Holdings Bhd's net profit fell 28.01% to RM2.0m for the third quarter ended March 31, 2020 (3QFY20), from RM2.8m a year ago, mainly due to ongoing costs for its new distribution services and provision of trade receivables, which it is attempting to recover. As a result, the group's operating expenses rose 8% to RM134.6m, from RM124.5m recorded for 3QFY19. Meanwhile, higher finance costs and lower share of profits of joint ventures also impacted its profitability for 3QFY20. *(The Edge)*



24 June 2020

Macro Bits

Global

- [WTO less downbeat on trade for 2020, more muted for 2021](#) The Geneva-based body in April forecast that global trade in goods would fall by between 13% and 32% in 2020 before rebounding by between 21% and 24% in 2021. *(Reuters)*
- [EU presses China over trade, warns on Hong Kong law](#) The European Union told China on Monday to make good on a promise to open up its economy and warned of “very negative consequences” if Beijing goes ahead with a new security law on Hong Kong that the West says will curtail basic rights. *(Reuters)*
- [Japan gives UK six weeks to strike a post-Brexit trade deal](#) Japan has given the UK just six weeks to strike a post-Brexit deal, putting Boris Johnson’s government under pressure to agree one of the fastest trade negotiations in history. *(Reuters)*
- [Indian and Chinese military agree to disengage on disputed Himalayan border](#) Indian and Chinese military commanders have agreed to disengage forces facing off over a disputed stretch of border where a clash last week left 20 Indian soldiers dead, an Indian government source in New Delhi said on Tuesday. *(Reuters)*

Malaysia

- [Country’s debt could hit 55%, fiscal discipline is maintained — Tengku Zafrul](#) The country’s debt level could hit the statutory limit of 55% of gross domestic product at the end of the year from 52% currently following the implementation of measures to save lives, protect livelihoods and stimulate the economy, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said today. *(The Edge Markets)*
- [Wage subsidy programme saves 2.4m jobs](#) Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz says the wage subsidy programme, as of June 19, has saved 2.4m jobs. RM4.89b had been approved for 303,596 employers for the benefit of over 2.4m workers. *(Bernama)*
- [Dr Wee: Govt eyes creating comprehensive sea, land transportation system to ease import-export activities](#) A more comprehensive sea and land transportation system, including the East Coast Rail Link project, will be developed to ensure the ease of import and export activities in the country, says Transport Minister Datuk Seri Dr Wee Ka Siong. *(The Star)*

Asia Pacific

- [Singapore PM calls July 10 election as virus lockdown lifts](#) Singapore will head to the polls on July 10 after its prime minister said he was satisfied a ballot could be held safely despite criticism that such a move might endanger voters during the coronavirus pandemic. *(Reuters)*
- [Singapore’s headline and core inflation falls further in May](#) Core inflation fell 0.2% y-o-y in May, compared to the 0.3% contraction in April, according to the Monetary Authority of Singapore and the Ministry of Trade and Industry. *(The Edge Markets)*
- [Bank Indonesia expects rupiah to strengthen to 13,700 per dollar in 2021](#) Bank Indonesia (BI) expects the rupiah to strengthen further next year to around Rp 13,700 to Rp 14,300 per United States dollar on the back of domestic economic recovery starting in the third quarter this year. *(The Jakarta Post)*

Americas

- [U.S. business sector contraction eases in June](#) U.S. business activity contracted for a fifth straight month in June, but the pace of decline eased, supporting views that the recession caused by the COVID-19 crisis was drawing to an end. *(Reuters)*

Europe

- [Euro zone downturn eased in June, V-shaped recovery in doubt](#) The historic euro zone economic downturn eased again this month as swathes of businesses reopened after closures to stem the spread of the coronavirus, but a V-shaped recovery may be unlikely, a set of closely-watched surveys showed on Tuesday. *(Reuters)*
- [Britain’s coronavirus slump tapers off in June, PMs show](#) Britain’s private sector shrank less than expected this month as more businesses restarted work after the COVID-19 lockdown, putting the economy on course to return to growth from next month, a survey showed on Tuesday. *(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
PANASONIC MANUFACTURING MALA	29.080	25.11	10.39	0.13	29.020

*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
SERN KOU RESOURCES BHD	1.290	89.29	91.56	94.08	1.310
PANSAR BHD	0.900	73.04	64.66	32.20	0.920
BATU KAWAN BHD	14.500	72.94	75.39	77.48	14.520
IRIS CORP BHD	0.185	72.86	76.48	90.30	0.195
JF TECHNOLOGY BHD	2.120	72.69	77.02	90.72	2.250

*Only for stocks with market cap >RM300m

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
LEONG HUP INT - CT	0.110	87.24	92.41	99.65	0.115	29/1/2021
ANZO HOLDINGS BERHAD - WB	0.100	86.94	92.47	99.54	0.105	25/8/2023
APPASIA BERHAD - WA	0.220	84.06	89.11	98.03	0.230	23/12/2024
NI HSIN RESOURCES -WB	0.090	81.99	87.23	98.36	0.090	13/5/2022
MQ TECHNOLOGY- WA	0.040	80.63	82.96	81.22	0.045	21/11/2021
SUPERCOMNET TECH-WA	0.910	72.75	74.57	78.77	1.010	19/6/2024
ASIA POLY HOLDINGS-WB	0.055	72.46	72.77	72.75	0.065	12/12/2022
GLOBALTEC FORMATION -WA	0.065	72.16	79.75	95.93	0.075	17/12/2021
ASIA POLY HOLDINGS -WA	0.040	70.51	71.97	74.17	0.055	13/12/2020

Source: Bloomberg



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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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