

30 June 2020

Ahmad Ramzani Bin Ramli | [ahmadramzani@kenanga.com.my](mailto:ahmadramzani@kenanga.com.my)

BURSA	29-Jun	Day chg	% chg
KLCI	1,494.4	6.29	0.42%
FTSE EMAS	10,492.4	34.2	0.33%
FTSE Smallcap	11,814.9	-46.57	-0.39%
FTSE MESDAQ	6,204.9	132.5	2.18%
KLSE Mkt Cap (RM'b)	1,498.4	3.3	0.22%

#### BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	-25.8	47.5%
Local Retail	38.5	37.4%
Foreign	-12.7	15.1%

INDICES	29-Jun	Day chg	% chg
Dow Jones	25,595.8	580.3	2.32%
S&P 500	3,053.2	44.2	1.47%
NASDAQ	9,874.2	116.9	1.20%
FTSE-100	6,225.8	66.5	1.08%
Nikkei 225	21,995.0	-517.0	-2.30%
SHCOMP	2,961.5	N/A	N/A
HSI	24,301.3	-248.7	-1.01%
STI	2,574.1	-30.4	-1.17%
KOSPI	2,093.5	-41.2	-1.93%
TWSE	11,542.6	N/A	N/A
JCI	4,901.8	-2.3	-0.05%
SET	1,329.8	-0.6	-0.04%

FOREX	29-Jun	26-Jun	% chg
USD/MYR:	4.2835	4.2905	-0.16%
EUR/USD:	1.1286	1.1219	0.60%
GBP/USD:	1.2320	1.2336	-0.13%
USD/YEN:	107.21	107.22	-0.01%
USD/SGD:	1.3923	1.3935	-0.09%
USD/HKD:	7.7504	7.7504	0.00%

#### KEY STATS

KLCI Spot			
Vol (m shares):	6,015.3	4,728.6	27.21%
Value (RMm):	3,053.1	2,383.7	28.08%
KLCI Future			
June-20	1,494.5	1,485.0	0.64%
July-20	1,491.0	1,482.0	0.61%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	866.5	865.0	0.17%
SoyOil (US\$/lb)	27.8	27.4	1.35%
Gold (US\$/troy oz)	1,781.2	1,780.3	0.05%
Nymex crude oil (US\$/bbl)	39.7	38.5	3.14%
Latex (RM/kg)	4.86	4.85	0.31%
Tin (US\$/mt)	16,869.5	16,928.0	-0.35%

## Research Highlights

#### NEWS HIGHLIGHTS

- Panasonic 4Q net profit jumps 35% on forex gain, higher share of associate results
- Kim Loong 1Q earnings up 58% on higher CPO, FFB prices
- Rubberex 1Q net profit rises 4.7 times on unprecedented surge in glove demand
- Omesti unit gets credit reporting agency licence from MoF
- Kumpulan Powernet bags RM175m job for mini hydro plants in Laos

#### MACRO BITS

- Pandemic 'is not even close to being over', WHO chief says
- EU prepares response to Nord Stream U.S. sanctions threat
- China to impose visa restrictions on U.S. individuals over Hong Kong
- Exports plunged further in May to an 11-year low, trade balance returned to a surplus (See *Economic Viewpoint: Malaysia External Trade*)
- National franchise development plan to boost industry
- S&P affirms China; flags risk to growth from coronavirus, tensions with U.S.
- Indonesia c.bank may buy low-yielding govt bonds to support pandemic fight
- Thailand plans USD1.6b fund for small firms hit by virus outbreak
- U.S. home contracts post record jump, factory activity improves in Texas
- Brazil deficit almost certain to top 11.0% of GDP this year -treasury secretary
- Europe slowly emerging from crisis, end not in sight: ECB's Makhoul
- Bank of England tells banks to push on with climate risk analysis

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

- Results Note: AMMB, HAIO, IHH, QL, SAPNRG, SCGM, UOADEV
- Company Update: SUNREIT
- On Our Technical Watch: ADVCON, OMESTI
- Economic Viewpoint: Malaysia External Trade

#	Top Volume	Price	%Chg (+/-)	Vol (m)	Top Gainer	Price	%Chg (+/-)	Vol (m)	Top Loser	Price	%Chg (+/-)	Vol (m)
	Stock				Stock				Stock			
1	TOPGLOV	15.70	5.4	24.40	TOPGLOV	15.70	5.4	24.40	GENM	2.50	-3.1	9.89
2	GENM	2.50	-3.1	9.89	HARTA	12.50	4.7	6.24	HAPSENG	8.43	-2.5	0.20
3	CIMB	3.53	-1.4	9.27	KLCCSS	5.60	4.5	1.41	PICHEM	6.20	-2.4	2.71
4	GENTING	4.15	-1.0	7.42	AXIATA	3.58	3.5	2.98	PETDAG	20.60	-1.9	0.19
5	HARTA	12.50	4.7	6.24	TM	4.12	2.0	2.31	HLFG	13.24	-1.8	0.19
6	DIALOG	3.60	-0.8	6.10	SIMEPLT	4.95	1.6	1.15	CIMB	3.53	-1.4	9.27
7	RHBBANK	4.83	0.4	5.82	DIGI	4.27	1.4	2.57	PPB	17.64	-1.3	0.25
8	MAYBANK	7.53	-1.2	4.66	IOICORP	4.37	1.4	1.60	MAYBANK	7.53	-1.2	4.66
9	TENAGA	11.56	0.7	3.31	KLK	22.20	0.8	0.14	GENTING	4.15	-1.0	7.42
10	AXIATA	3.58	3.5	2.98	TENAGA	11.56	0.7	3.31	HLBANK	14.08	-0.9	0.41

Notes: # KL Composite Index (FBMKLCI) component stocks

## Corporate News

- **Panasonic 4Q net profit jumps 35% on forex gain, higher share of associate results**

Panasonic Manufacturing Malaysia Bhd's net profit surged 34.9% to RM30.3m for the fourth quarter ended March 31, 2020 (4QFY19), from RM22.5m a year earlier. Earnings per share rose to 50 sen from 37 sen. The group said earnings were boosted by a forex gain of RM8.4m, and a higher share of associate results totalling RM4m as against RM1.2m previously. "A higher profit was achieved by the associate company, mainly due to lower promotional and marketing expenses incurred during the quarter under review," the group said in a filing with Bursa Malaysia. (*The Edge*)

- **Kim Loong 1Q earnings up 58% on higher CPO, FFB prices**

Plantation firm Kim Loong Resources Bhd's net profit rose 57.9% to RM22.9m for the first financial quarter ended April 30, 2020 (1QFY21), from RM14.5m a year earlier, on higher fresh fruit bunch (FFB) and crude palm oil (CPO) prices by 26% and 25% respectively. This resulted in higher earnings per share of 2.45 sen from 1.55 sen for 1QFY20. Quarterly revenue climbed to RM201.4m from RM169m previously. (*The Edge*)

- **Rubberex 1Q net profit rises 4.7 times on unprecedented surge in glove demand**

Rubberex Corp (M) Bhd, whose shares have skyrocketed by over 450% this year, reported a jump of 4.7 times in its first-quarter net profit to RM9.3m, from RM2m a year ago, thanks to higher demand for gloves amid the Covid-19 pandemic. Earnings per share for the quarter ended March 31, 2020 (1QFY20) rose to 3.67 sen from 0.78 sen previously. In a filing, the group also said revenue increased 31.7% to RM66.4m from RM50.5m previously. "The strong performance in the quarter was mainly driven by the nitrile disposable glove division which saw an unprecedented surge in demand attributable to the Covid-19 pandemic," it said. (*The Edge*)

- **Omesti unit gets credit reporting agency licence from MoF**

CRIF Omesti Sdn Bhd, a joint investment company between Omesti Bhd and CRIF Group, has obtained a credit reporting agency (CRA) licence from the Ministry of Finance (MoF). The licence will allow CRIF to extend its global coverage to Malaysia as a licensed CRA to provide credit reports and business information services for financial institutions, corporations and small and medium enterprises (SMEs), Omesti said in a statement. "The credit reporting space is an area that we believe holds significant potential, not just in Malaysia but across the region. We are therefore keen to increase our footprint, hence the joint investment with CRIF, where we hold a 30% direct stake at present," said CRIF Omesti director. (*The Edge*)

- **Kumpulan Powernet bags RM175m job for mini hydro plants in Laos**

Kumpulan Powernet Bhd has accepted a letter of award (LoA) to undertake civil works for two mini hydro power plants in Laos for US\$40.7m (approximately RM174.5m). The two power plants are Nam Taep 1 and Nam Taep 2, each with 3 x 5 MW generation capacity and are located in Ban Nam Taep and Ban Nam Nameuang, in the district of Xam Tai, in Laos' Houaphan province. (*The Edge*)



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## Macro Bits

### Global

- [Pandemic 'is not even close to being over', WHO chief says](#) The COVID-19 pandemic is not even close to being over, World Health Organization chief Tedros Adhanom Ghebreyesus told a briefing on Monday. *(Reuters)*
- [EU prepares response to Nord Stream U.S. sanctions threat](#) The European Commission is preparing measures to protect the European Union as it faces threatened U.S. sanctions, which could break international law, on a link to carry gas directly from Russia to Germany, the EU's foreign policy chief said. *(Reuters)*
- [China to impose visa restrictions on U.S. individuals over Hong Kong](#) Beijing said on Monday it will impose visa restrictions on U.S. individuals with "egregious conduct" on Hong Kong-related issues, mirroring U.S. sanctions against unnamed Chinese officials deemed responsible for curbing freedoms in the city. *(Reuters)*

### Malaysia

- [Exports plunged further in May to an 11-year low, trade balance returned to a surplus](#) Exports dwindled further in May (-25.5% YoY; KIBB estimate: -16.4%; consensus: -20.2%; Apr: -23.9%), its biggest fall in 11 years (May 09: -29.5%). The deeper drop in exports was led by worsened demand from the regional peers, mainly ID and HK. *(See Economic Viewpoint: Malaysia External Trade)*
- [National franchise development plan to boost industry](#) The National Franchise Development Master Plan (PIPFN) 2021-2025, which is currently being developed, will be able to boost local and overseas franchise businesses as well as increase franchise sales value by 2025. *(The Edge Markets)*

### Asia Pacific

- [S&P affirms China: flags risk to growth from coronavirus, tensions with U.S.](#) Credit rating agency S&P Global Ratings on Monday affirmed China's sovereign credit ratings at 'A+/A-1' with a stable outlook, amid the ongoing coronavirus outbreak. *(Reuters)*
- [Indonesia c.bank may buy low-yielding govt bonds to support pandemic fight](#) Indonesia's finance minister said on Monday the government may sell low-yielding bonds to the central bank via private placement to help finance a ballooning fiscal deficit caused by spending to tackle COVID-19. *(Reuters)*
- [Thailand plans USD1.6b fund for small firms hit by virus outbreak](#) Thailand will seek cabinet approval next week for a THB50.0b (USD1.62b) fund to help small businesses affected by the coronavirus outbreak, a deputy prime minister said on Monday. *(Reuters)*

### Americas

- [U.S. home contracts post record jump, factory activity improves in Texas](#) Contracts to buy U.S. previously owned homes rebounded by the most on record in May, suggesting the housing market was starting to turn around after being hammered by the COVID-19 pandemic along with the rest of the economy. *(Reuters)*
- [Brazil deficit almost certain to top 11.0% of GDP this year -treasury secretary](#) Brazil's primary budget deficit will almost certainly top 11% of gross domestic product this year, Treasury Secretary Mansueto Almeida said on Monday, adding that proposals to extend emergency payments to low-paid workers will cost an extra BRL100.0b (USD189.0b), or 1.9% of GDP. *(Reuters)*

### Europe

- [Europe slowly emerging from crisis, end not in sight: ECB's Makhoul](#) Europe is slowly emerging from the economic crisis brought on by the coronavirus pandemic but the end is not yet in sight, European Central Bank governing council member Gabriel Makhoul said on Monday. *(Reuters)*
- [Bank of England tells banks to push on with climate risk analysis](#) The Bank of England (BoE) has told banks and insurers to press ahead with analysing the impact of climate change on their operations, saying that guidance published on Monday would be followed by targets next year. *(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	28.680	20.00	6.56	0.02	28.500
ASTRO MALAYSIA HOLDINGS BHD	0.820	25.17	15.80	2.75	0.805
DUTCH LADY MILK INDS BHD	42.900	28.37	19.48	6.97	42.800
GREEN PACKET BHD	0.515	29.78	19.09	1.92	0.500

\*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
AJINOMOTO MALAYSIA BHD	16.580	82.62	89.04	99.13	16.640
PANSAR BHD	0.920	78.01	74.72	80.39	0.950
KRETAM HOLDINGS BHD	0.430	74.80	81.76	96.86	0.435
SERN KOU RESOURCES BHD	1.250	73.31	68.68	33.03	1.350
SAM ENGINEERING & EQUIPMENT	7.470	72.84	75.95	77.17	7.650
FOCUS DYNAMICS GROUP BHD	0.840	71.51	75.29	87.53	0.865
JHM CONSOLIDATION BHD	1.330	70.36	71.88	67.06	1.430

\*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
FGV HOLDINGS-C87	0.005	27.85	32.04	13.78	0.005	24/9/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D	EXPIRY DATE
ASIA POLY HOLDINGS -WA	0.060	76.76	79.58	89.34	0.070	13/12/2020
ASIA POLY HOLDINGS-WB	0.070	76.35	78.26	88.02	0.075	12/12/2022
MMAG HOLDINGS BHD -WB	0.190	74.21	79.67	92.46	0.190	27/11/2022
MNC WIRELESS-WA	0.010	72.88	83.32	99.49	0.015	5/11/2021

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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Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)

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