

01 July 2020

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BURSA	30-Jun	Day chg	% chg
KLCI	1,501.0	6.54	0.44%
FTSE EMAS	10,552.0	59.6	0.57%
FTSE Smallcap	11,858.6	43.75	0.37%
FTSE MESDAQ	6,164.3	-40.6	-0.65%
KLSE Mkt Cap (RM'b)	1,498.0	-0.3	-0.02%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	122.2	48.6%
Local Retail	-42.9	34.8%
Foreign	-79.2	16.5%

INDICES	30-Jun	Day chg	% chg
Dow Jones	25,812.9	217.1	0.85%
S&P 500	3,100.3	47.1	1.54%
NASDAQ	10,058.8	184.6	1.87%
FTSE-100	6,169.7	-56.0	-0.90%
Nikkei 225	22,288.1	293.1	1.33%
SHCOMP	2,984.7	23.2	0.78%
HSI	24,427.2	125.9	0.52%
STI	2,589.9	15.8	0.61%
KOSPI	2,108.3	14.8	0.71%
TWSE	11,621.2	78.6	0.68%
JCI	4,905.4	3.6	0.07%
SET	1,339.0	9.3	0.70%

FOREX	30-Jun	29-Jun	% chg
USD/MYR:	4.2863	4.2835	0.07%
EUR/USD:	1.1209	1.1286	-0.68%
GBP/USD:	1.2269	1.2320	-0.41%
USD/YEN:	107.73	107.21	0.49%
USD/SGD:	1.3972	1.3923	0.35%
USD/HKD:	7.7501	7.7504	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	5,345.1	6,015.3	-11.14%
Value (RMm):	3,741.7	3,053.1	22.55%
KLCI Future			
July-20	1,495.0	1,491.0	0.27%
Aug-20	1,495.0	1,491.0	0.27%
CPO Price (RM/tonne)	2,297.0	2,341.0	-1.88%
Soybean (US\$/bu)	884.3	866.5	2.05%
SoyOil (US\$/lb)	28.1	27.8	1.30%
Gold (US\$/troy oz)	1,800.5	1,781.2	1.08%
Nymex crude oil (US\$/bbl)	39.3	39.7	-1.08%
Latex (RM/kg)	4.87	4.88	-0.10%
Tin (US\$/mt)	16,819.0	16,869.5	-0.30%

Research Highlights

NEWS HIGHLIGHTS

- Bland reaches settlement with South Korea on Jeju Airst City dispute
- Green Packet reports wider 1Q net loss on higher costs despite soaring international sales
- T7 Global 1Q net profit improves on lower tax expenses
- OCR Group posts higher revenue for 1Q
- Sasbadi, Huawei to collaborate in e-learning products

MACRO BITS

- Virus resurgence triggers risk-off sentiment (See *Economic Viewpoint: Global FX Outlook*)
- EU, Britain, Taiwan dismayed by China's new security law for Hong Kong
- M3 growth at a 10-month high, loan growth eased marginally in May (See *Economic Viewpoint: Malaysia Money & Credit*)
- MPC: Malaysia's labour productivity grew 2.1% in 2019
- PPI for local production decreases 5.5% in May
- Virus resurgence and escalating US-CH tensions hampers recovery optimism (See *Economic Viewpoint: Asia FX Outlook*)
- Investment worsened, while consumer activities showed signs of recovery in May (See *Economic Viewpoint: Thailand Private Sector Expenditure*)
- Thai economy seen hitting bottom in 2Q — central bank
- Indonesia's V-shaped recovery looks elusive as cases spike
- Fed's offered flood of credit so far just a trickle in practice
- Anaemic euro zone inflation unexpectedly ticks up
- UK economy shows biggest drop in 40 years in early 2020

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Sector Update: Banking (BNM Stats)
- Results Note: ANNJO, CBIP, KERJAYA, LBS, PESTECH, PIE
- Company Update: HARTA, SERBADK
- On Our Technical Watch: LYC, NTPM
- Economic Viewpoint: MY Money & Credit, Asia FX Outlook, Global FX Outlook, TH Pvt Sector Expenditure

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	16.10	2.6	20.10	HAPSENG	8.80	4.4	0.49	IHH	5.50	-1.8	3.25
2	CIMB	3.56	0.9	12.50	HARTA	13.00	4.0	11.00	GENTING	4.10	-1.2	6.71
3	HARTA	13.00	4.0	11.00	KLCCSS	16.10	2.6	20.10	HLFG	13.10	-1.1	0.62
4	DIALOG	3.61	0.3	10.30	SIME	2.15	1.9	6.99	AXIATA	3.55	-0.8	8.70
5	AXIATA	3.55	-0.8	8.70	GENM	2.53	1.2	7.53	RHBBANK	4.79	-0.8	4.02
6	GENM	2.53	1.2	7.53	MAXIS	5.37	0.9	1.99	IOICORP	4.34	-0.7	4.58
7	SIME	2.15	1.9	6.99	DIGI	4.31	0.9	2.57	SIMEPLT	4.92	-0.6	3.45
8	GENTING	4.10	-1.2	6.71	CIMB	3.56	0.9	12.50	PETGAS	16.88	-0.6	0.93
9	MAYBANK	7.51	-0.3	6.57	PPB	17.78	0.8	0.79	MISC	7.66	-0.4	4.18
10	TENAGA	11.62	0.5	5.65	NESTLE	139.90	0.8	0.10	MAYBANK	7.51	-0.3	6.57

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **BLand reaches settlement with South Korea on Jeju Airst City dispute**

Berjaya Land Bhd says the South Korean government has agreed to pay 125 billion Korean won (about RM443.9m) as part of an agreement to settle their five-year dispute over the Jeju Airst City project in South Korea. The dispute arose from a 2009 land sale agreement for the Jeju Airst City project, which was inked between South Korea's Jeju Free International City Development Center (JDC) and Berjaya Jeju Resort Ltd (BJR). BJR — the master developer of the project — was at the time 72.6%-owned by BLand through Berjaya Leisure (Cayman) Ltd (BLCL), with JDC holding another 19%. BJR also has Swan Street Partners LLC (SSP) as an investor. *(The Edge)*

- **Green Packet reports wider 1Q net loss on higher costs despite soaring international sales**

Green Packet Bhd reported a net loss of RM34.1m for the first quarter ended March 31, 2020 (1QFY20), much wider than the RM13.9m net loss a year earlier, as a result of higher costs and a fair value adjustment on an investment during the period under review. In a filing, Green Packet said the higher loss was mainly due to the fair value adjustment provided for an investment as at March 31, 2020 of RM17.3m coupled with higher business development costs incurred for the digital services and communication retail business. This was despite a 50% increase in revenue to RM147.1m from RM97.9m a year ago, on the back of higher sales across its business segments. *(The Edge)*

- **T7 Global 1Q net profit improves on lower tax expenses**

Oil and gas (O&G) service provider T7 Global Bhd's net profit improved by 51.1% to RM331,000 for the first quarter ended March 31, 2020 (1QFY20), from RM219,000 a year ago, on lower tax expenses. However, earnings per share were lower at 0.23 sen for 1QFY20, compared with 0.27 sen for 1QFY19, due to dilution of shares following completion of the private placement exercise on March 6. Revenue for the quarter fell 13.3% to RM48.8m, from RM56.3m, dragged by a lower revenue contribution from its products and services division which fell 42.6% year-on-year. *(The Edge)*

- **OCR Group posts higher revenue for 1Q**

OCR Group Bhd posted a revenue of RM28.0m for its first quarter ended March 31, 2020 (1QFY20), up 28.5% from the RM21.8m recorded in the previous corresponding quarter. However, its net profit for 1QFY20 dropped to RM1.2m, from RM1.5m in 1QFY19, due to higher expenses, mainly on increased marketing costs as the group took on more digital marketing for its residential properties, OCR said in a press release. *(The Edge)*

- **Sasbadi, Huawei to collaborate in e-learning products**

Educational publisher Sasbadi Holdings Bhd plans to collaborate with China's Huawei on the development of e-learning products by leveraging the latter's cloud artificial intelligence technology and to implement joint opportunities. In a bourse filing, Sasbadi said it has entered into a memorandum of collaboration with Huawei, which includes jointly promoting Sasbadi's e-learning products in Malaysia and Southeast Asia via Huawei cloud marketplace. The memorandum will remain in force for two years. "Through the collaborative activities with Huawei, the memorandum is expected to contribute positively to the group's earnings and net assets for the financial year ending Aug 31, 2020 and onwards," it added. *(The Edge)*



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Macro Bits

Global

- **Virus resurgence triggers risk-off sentiment** EUR may continue its upward momentum in July due to investors' optimism over improving COVID-19 situation in most European countries. However, rising risk of a stalled US-EU trade talks is expected to put some pressure on the bloc's currency. (See *Economic Viewpoint: Global FX Outlook*)
- **EU, Britain, Taiwan dismayed by China's new security law for Hong Kong** The European Union expressed anger while Britain and Japan voiced concern on Tuesday after China passed a national security law for Hong Kong that threatens to usher in the starkest changes for the former British colony since its return to China. (Reuters)

Malaysia

- **M3 growth at a 10-month high, loan growth eased marginally in May** M3 growth edged higher to a 10-month high in May (4.7% YoY; Apr: 4.4%), amid a record low policy rate and sizeable fiscal stimulus. The increase was steered by a double-digit growth in M1, followed by narrow quasi-money, outpacing steeper decline in deposits placed with other banking institutions. (See *Economic Viewpoint: Malaysia Money & Credit*)
- **MPC: Malaysia's labour productivity grew 2.1% in 2019** Malaysia recorded labour productivity growth of 2.1% to RM93,973 in 2019 from RM92,018 in 2018, contributing to the country's gross domestic product (GDP) growth of 4.3% in 2019, says the Malaysia Productivity Corp (MPC). (Bernama)
- **PPI for local production decreases 5.5% in May** The Producer Price Index (PPI) for local production, which measures the costs of goods at the factory gate, decreased 5.5% year-on-year (y-o-y) in May 2020, marking the third consecutive month that the index had remained in the negative territory. (The Edge Markets)

Asia Pacific

- **Virus resurgence and escalating US-CH tensions hampers recovery optimism** With improving oil prices, MYR is expected to marginally appreciate in July. In addition, MYR will benefit from the recovery of global trade and demand for commodity as the world economies re-open. (See *Economic Viewpoint: Asia FX Outlook*)
- **Investment worsened, while consumer activities showed signs of recovery in May** Private consumption index (PCI) contracted at a slightly slower rate in May (-12.5% YoY; Apr: -15.1%). By segment, the modest improvement was led by softer decline in spending on non-durables and durables. (See *Economic Viewpoint: Thailand Private Sector Expenditure*)
- **Thai economy seen hitting bottom in 2Q — central bank** Thailand's economy is expected to hit its bottom in the second quarter, contracting by a double-digit number but less than 20% from a year earlier, amid the coronavirus outbreak, the central bank said on Tuesday. (Reuters)
- **Indonesia's V-shaped recovery looks elusive as cases spike** The spike in infections may prompt businesses to delay reopening and weigh even more on consumer sentiment, deepening a slump in Southeast Asia's biggest economy and forcing the cash-strapped government to add to its stimulus measures. (Bloomberg)

Americas

- **Fed's offered flood of credit so far just a trickle in practice** The Federal Reserve's promise in the early days of the coronavirus pandemic to flood the U.S. economy with trillions of dollars seemed like the proverbial central bank bazooka. (Reuters)

Europe

- **Anaemic euro zone inflation unexpectedly ticks up** Euro zone inflation unexpectedly rose in June but underlying price pressures dropped again, underscoring fears that consumer price growth will remain anaemic for years as the bloc recovers from the biggest recession in living memory. (Reuters)
- **UK economy shows biggest drop in 40 years in early 2020** Britain's economy shrank by the most since 1979 in early 2020 as households slashed their spending, according to official data that included the first few days of the coronavirus lockdown. (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
ASTRO MALAYSIA HOLDINGS BHD	0.830	28.62	22.04	28.84	0.805
GREEN PACKET BHD	0.500	28.80	17.96	1.54	0.500

*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
AJINOMOTO MALAYSIA BHD	17.000	84.95	90.95	99.40	17.180
PANSAR BHD	0.935	81.09	80.22	91.51	0.950
JF TECHNOLOGY BHD	2.420	76.29	79.46	87.06	2.450
KRETAM HOLDINGS BHD	0.430	74.80	81.76	96.86	0.435
SAM ENGINEERING & EQUIPMENT	7.500	73.17	76.40	79.12	7.650
FOCUS DYNAMICS GROUP BHD	0.850	72.60	76.66	89.50	0.875
JHM CONSOLIDATION BHD	1.340	70.87	72.65	71.58	1.430

*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
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
MNC WIRELESS-WA	0.015	84.40	92.71	99.94	0.015	5/11/2021
ASIA POLY HOLDINGS -WA	0.060	76.76	79.58	89.34	0.070	13/12/2020
MMAG HOLDINGS BHD -WB	0.190	74.21	79.67	92.46	0.190	27/11/2022

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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