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BURSA	24-Sep	Day chg	% chg
KLCI	1,500.8	4.32	0.29%
FTSE EMAS	10,769.5	35.5	0.33%
FTSE Smallcap	12,774.3	6.93	0.05%
FTSE MESDAQ	10,233.7	-135.2	-1.30%
KLSE Mkt Cap (RM'b)	1,551.1	-8.8	-0.56%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM'm)	Value (%)
Local Institution	68.9	51.8%
Local Retail	-111.1	35.0%
Foreign	42.2	13.3%

INDICES	24-Sep	Day chg	% chg
Dow Jones	26,815.4	52.3	0.20%
S&P 500	3,246.6	9.7	0.30%
NASDAQ	10,672.3	39.3	0.37%
FTSE-100	5,822.8	-76.5	-1.30%
Nikkei 225	23,087.8	-258.7	-1.11%
SHCOMP	3,223.2	-56.5	-1.72%
HSI	23,311.1	-431.4	-1.82%
STI	2,450.8	-30.3	-1.22%
KOSPI	2,272.7	-60.5	-2.59%
TWSE	12,264.4	-319.5	-2.54%
JCI	4,842.8	-75.2	-1.53%
SET	1,247.5	-16.6	-1.31%

FOREX	24-Sep	23-Sep	% chg
USD/MYR:	4.1710	4.1525	0.45%
EUR/USD:	1.1643	1.1708	-0.56%
GBP/USD:	1.2754	1.2721	0.26%
USD/YEN:	105.47	105.02	0.43%
USD/SGD:	1.3759	1.3657	0.75%
USD/HKD:	7.7502	7.7501	0.00%

KEY STATS

KLCI Spot			
Vol (m shares):	5,898.3	8,454.0	-30.23%
Value (RMm):	4,559.2	4,324.7	5.42%
KLCI Future			
September-20	1,497.0	1,492.5	0.30%
October-20	1,496.5	1,491.0	0.37%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,000.0	1,014.5	-1.43%
SoyOil (USc/lb)	32.4	32.8	-1.19%
Gold (US\$/troy oz)	1,868.9	1,860.5	0.45%
Nymex crude oil (US\$/bbl)	40.3	39.9	0.95%
Latex (RM/kg)	4.90	4.88	0.41%
Tin (US\$/mt)	17,241.0	17,810.5	-3.20%

Research Highlights

NEWS HIGHLIGHTS

- **Malaysia Kept on FTSE Watchlist for Exclusion From Bond Index (Comment included in Kenanga Today)**
- **FTSE Russell Says China to Be Included in Global Bond Index (Comment included in Kenanga Today)**
- **Axiata gets nod to list subsidiary Robi in Bangladesh**
- **Lotte Chemical Titan gets nod for dividend reinvestment scheme**
- **AirAsia seeks to raise capital for rebranded digital business arm**

MACRO BITS

- **Global economic outlook 'somewhat less dire' than expected: IMF**
- **Malaysia recorded approved investments totalling RM64.8b in 1H20 — MIDA**
- **Extension of wage subsidy programme helps sustain businesses, employees — FMM**
- **Malaysia's Covid-19 R0 value yet to stabilise, says Health D-G**
- **China unveils 'strategic emerging industries' plan in fresh push to get away from US technologies**
- **Indonesia hits consecutive record highs in coronavirus cases**
- **End of loan holiday threatens pain, defaults for Indian business**
- **U.S. new home sales vault to near 14-year high in August**
- **U.S. labor market slowing as fiscal stimulus fades**
- **Fed's Powell says evictions, mortgage defaults may rise without more fiscal aid**
- **EU chair Germany tells parliament to get COVID recovery cash through**
- **Brexit and coronavirus spur EU to deepen capital market**
- **Sunak unveils new job support scheme; warns he cannot save every business**

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- **Results Note: UMCCA, ECOWLD**
- **Company Update: TM**
- **On Our Technical Watch: AEMULUS, JCY**
- **Rating Summary**

#	Top Volume			Top Gainer				Top Loser				
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	8.55	6.6	98.40	HARTA	15.90	9.7	11.60	PCHEM	5.34	-2.9	5.32
2	CIMB	3.05	-1.6	19.30	TOPGLOV	8.55	6.6	98.40	PMETAL	4.87	-2.8	1.96
3	DIALOG	3.79	-0.3	12.90	KLCCSS	2.35	2.6	8.56	AXIATA	2.99	-2.3	2.63
4	HARTA	15.90	9.7	11.60	KLCCSS	7.84	0.9	0.38	HLFG	13.86	-1.8	0.54
5	MAYBANK	7.09	-1.1	9.66	KLK	22.78	0.6	0.20	MAXIS	4.96	-1.8	1.65
6	GENM	2.11	0.0	8.84	HAPSENG	7.03	0.4	0.36	TM	4.13	-1.7	3.66
7	SIME	2.35	2.6	8.56	GENM	2.11	0.0	8.84	CIMB	3.05	-1.6	19.30
8	PCHEM	5.34	-2.9	5.32	HLBANK	14.90	0.0	0.64	PPB	18.88	-1.3	0.38
9	TENAGA	10.82	-0.7	4.25	SIMEPLT	5.05	0.0	2.25	DIGI	4.03	-1.2	3.58
10	TM	4.13	-1.7	3.66	IHH	5.25	-0.2	1.36	MAYBANK	7.09	-1.1	9.66

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **Malaysia Kept on FTSE Watchlist for Exclusion From Bond Index**

FTSE Russell kept Malaysia on a watchlist for possible exclusion from its World Government Bond Index, while acknowledging that the country had taken steps to improve accessibility of its market to foreign investors. “FTSE Russell will continue to engage with its advisory committees and other stakeholders, over the next six months, to determine the practical improvements that emanate from these important and welcomed initiatives,” FTSE Russell said in a statement. The decision may keep the pressure on Bank Negara Malaysia to continue delivering reforms to deepen onshore markets after FTSE flagged accessibility concerns. Based on their weighting in the index, about \$8b of funds may exit ringgit bonds if they’re dropped, which would represent around 18% of total foreign holdings, NatWest Markets estimates. The index provider first gave notice in April last year it could exclude Malaysian debt from its index as part of a review into the accessibility of global bond markets. The central bank has since rolled out measures to address the concerns, including giving businesses more flexibility to hedge, although it stopped short of reversing a ban on offshore currency trading. JPMorgan Chase & Co. said last year it’ll cut Malaysia’s weighting in its GBI-EM Global Diversified Index to 5.2% from 6.1% as part of a broader revamp to make room for China’s bonds. Bloomberg LP, the parent company of Bloomberg News, owns Bloomberg Barclays indexes which compete with FTSE Russell gauges. *(Bloomberg)*

Comment: In the March review, FTSE acknowledged BNM’s measures taken to improve the Malaysian bond market accessibility to foreign investors. Also there have been positive inflows into the local bond market with improved liquidity following BNM’s initiatives and more MGS added to the JPM’s GBI-EM index despite the phased in entry of China since February. Hence, this news is not entirely surprising and has a positive read through for the equity market since it removes the immediate risk of funds outflow (and hence negatively impact overall liquidity) from passive index-positioned funds. Had Malaysia been downgraded from market accessibility level 2 to 1, it would have been removed from the WGBI with an estimated significant potential outflow of \$8b, negatively impacting liquidity and raise yields with negative impact on an already fragile economy. That said, although Malaysia remains on the watch list and the risk of a decision in March 2021 for the possible removal remains, this news comes as a relief for the capital markets and the economy. (By: Koh Huat Soon)

- **FTSE Russell Says China to Be Included in Global Bond Index**

FTSE Russell said that Chinese Government Bonds will be included in the FTSE World Government Bond Index, with inclusion scheduled to start with the October 2021 profiles. The commencement date is subject to final affirmation in March 2021 from members of the FTSE Russell advisory committees and other index users that recently announced reforms have made the anticipated practical improvements to the market structure. Also said that Malaysia will be retained on the Watch List for possible exclusion from the bond index. *(Bloomberg)*



Comment: In a separate announcement, FTSE Russell also announced that the Chinese Government Bonds will be included in the FTSE WGBI scheduled to start with the October 2021 profiles and the commencement date is subject to final affirmation in March 2021. The inclusion of China would mean that the weights of the incumbents may have to be reduced to accommodate China's entry. However, this rebalancing will only take place in October 2021 or later and it remains to be seen if it's going to be a phased in approach. Hopefully, Malaysia would remain in the WGBI by then although its weight may be reduced from 0.4% currently. Even so, the potential outflow from such an event may be muted if investors are already underweighted Malaysia (probably is the case as it has been in the watch list for over a year) or if the inclusion of such a huge market as China, for its massiveness and attractive yields, would attract additional fixed income flows that will enlarge the size of funds that track FTSE WGBI beyond \$2tn. (By: Koh Huat Soon)

- **Axiata gets nod to list subsidiary Robi in Bangladesh**

Axiata Group Bhd has received the nod to list its subsidiary in Bangladesh. In a bourse filing, Axiata said the Bangladesh Securities and Exchange Commission (BSEC) had approved the proposed initial public offering and listing of Robi Axiata Ltd. "Further details will be announced upon the receipt by Robi of the approval letter by BSEC," it said. In February this year, Axiata said it was eyeing to raise RM255.2m with a proposed listing of its 68.69%-owned subsidiary Robi on the Dhaka Stock Exchange Ltd and the Chittagong Stock Exchange Ltd in Bangladesh. Axiata had then said Robi will issue 523.8m new shares, representing 10% of its enlarged share capital post-listing, which would also dilute its shares in Robi by 6.87%. (*The Edge*)

- **Lotte Chemical Titan gets nod for dividend reinvestment scheme**

Lotte Chemical Titan Holding Bhd has received shareholders' approval for its dividend reinvestment scheme (DRS) during its extraordinary general meeting held yesterday. At the meeting, 99.99% of shareholders voted for the proposed DRS scheme, as well as the issuance of new Lotte Chemical shares in relation to the scheme. "The DRS proposal has been carefully evaluated and thoroughly deliberated by our management team and our board of directors. It is an appropriate measure under current circumstances to address the shortfall in meeting the minimum public spread requirement of 25%, as per Bursa Malaysia Securities Bhd's Listing Requirement," Lotte Chemical said in a filing with Bursa Malaysia. (*The Edge*)

- **AirAsia seeks to raise capital for rebranded digital business arm**

AirAsia Group Bhd is looking at options to raise capital for its rebranded digital business arm — AirAsia Digital — according to group chief executive officer (CEO). "It could be convertible debt or equity. We just started the process; we don't need a lot," he said at AirAsia Digital's media briefing. However, he did not disclose how much the company wants to raise. "We built all of this on our very own capital so far, just like how we built AirAsia. We will see ... we have some debt capital coming in that has been secured for some parts of the group, [namely] Teleport and Santan, which will be announced soon," he said. (*The Edge*)



Macro Bits

Global

- [Global economic outlook 'somewhat less dire' than expected: IMF](#) The global economic outlook is not quite as dark as expected even just three months ago, a top International Monetary Fund official said on Thursday, citing better than anticipated economic data from China and other advanced economies. *(Reuters)*

Malaysia

- [Malaysia recorded approved investments totalling RM64.8b in 1H20 — MIDA](#) Malaysia recorded a total of RM64.8b worth of investments in the manufacturing, services and primary sectors in the first six months of 2020 (6M20) despite multiple headwinds on the global front, said the Malaysian Investment Development Authority (MIDA). *(The Edge Markets)*
- [Extension of wage subsidy programme helps sustain businesses, employees — FMM](#) The extension of the Wage Subsidy Programme for another three months until December 2020 provides the much-needed support for industries in sustaining their business and safeguarding employment. *(The Edge Markets)*
- [Malaysia's Covid-19 R0 value yet to stabilise, says Health D-G](#) Covid-19 infectivity remains a concern in Malaysia with the R0 (R-nought) value yet to stabilise, said Health director-general (D-G) Tan Sri Dr Noor Hisham Abdullah. *(The Edge Markets)*

Asia Pacific

- [China unveils 'strategic emerging industries' plan in fresh push to get away from US technologies](#) Beijing has released an ambitious plan to boost the development of "strategic emerging industries", from the buildout of 5G mobile networks to industrial robotics, in the latest move to counter Washington's expanding technological embargo while elevating the national economy. *(South China Morning Post)*
- [Indonesia hits consecutive record highs in coronavirus cases](#) Indonesia's one-day increases in COVID-19 cases have continued to hit consecutive new highs in the past few days as the country has constantly recorded more than 4,000 new infections each day. *(The Jakarta Post)*
- [End of loan holiday threatens pain, defaults for Indian business](#) Small businesses in India, already struggling amid the pandemic, are now having to repay mounting debt after a loan holiday ended last month. *(The Edge Markets)*

Americas

- [U.S. new home sales vault to near 14-year high in August](#) Sales of new U.S. single-family homes increased to their highest level in nearly 14 years in August, suggesting the housing market continued to gain momentum even as the economy's recovery from the COVID-19 recession appears to be slowing. *(Reuters)*
- [U.S. labor market slowing as fiscal stimulus fades](#) The number of Americans filing new claims for unemployment benefits unexpectedly increased last week, supporting views the economic recovery from the COVID-19 pandemic was running out of steam amid diminishing government funding. *(Reuters)*
- [Fed's Powell says evictions, mortgage defaults may rise without more fiscal aid](#) Failure to deliver more government aid to households could precipitate a wave of mortgage defaults and evictions, Federal Reserve Chair Jerome Powell said on Wednesday in a fresh warning amid a continued deadlock in Congress over another coronavirus relief package. *(Reuters)*

Europe

- [EU chair Germany tells parliament to get COVID recovery cash through](#) Germany, the current holder of the European Union's rotating presidency, urged the European Parliament on Thursday to speed up talks and work on weekends to agree on EUR1.8t worth of the bloc's next budget and a linked pandemic recovery. *(Reuters)*
- [Brexit and coronavirus spur EU to deepen capital market](#) The European Union on Thursday presented plans to expand and bolster its capital market to help reboot companies hit by the coronavirus and reduce the bloc's reliance on the City of London after Brexit. *(Reuters)*
- [Sunak unveils new job support scheme; warns he cannot save every business](#) British finance minister Rishi Sunak announced a new jobs support scheme on Thursday that would help firms employ people on shorter hours, but warned he could not save every business or job. *(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
BINTULU PORT HOLDINGS BHD	3.680	18.59	11.96	17.31	3.670
ECONPILE HOLDINGS BHD	0.475	20.02	14.55	2.39	0.475
YINSON HOLDINGS BHD	5.700	22.82	13.87	0.94	5.640
MY EG SERVICES BHD	1.270	24.61	13.65	0.62	1.250
KSL HOLDINGS BHD	0.500	24.72	19.12	8.34	0.495
MULPHA INTERNATIONAL BHD	1.310	24.93	18.33	14.14	1.300
KKB ENGINEERING BHD	1.420	25.54	19.75	6.29	1.420
EASTERN & ORIENTAL BHD	0.385	26.40	14.59	0.09	0.385
CIMB GROUP HOLDINGS BHD	3.050	26.82	22.50	7.55	3.050
MSM MALAYSIA HOLDINGS BHD	0.480	27.27	24.74	18.63	0.470
CAPITALAND MALAYSIA MALL TRU	0.625	27.29	23.73	12.81	0.615
DAGANG NEXCHANGE BHD	0.180	28.31	20.69	5.01	0.180
DATASONIC GROUP BHD	1.010	28.85	25.67	14.56	0.980
PANASONIC MANUFACTURING MALA	28.420	29.22	28.52	52.83	27.880
OOCK GROUP BHD	0.440	29.25	25.32	7.13	0.430

*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
KWANTAS CORP BHD	1.380	78.536	77.118	72.237	1.460
BLD PLANTATION BHD	7.300	76.168	83.330	97.240	7.300
AEON CREDIT SERVICE M BHD	10.020	70.500	75.746	83.656	10.060
FAR EAST HOLDINGS BHD	2.500	70.266	80.320	98.757	2.500

*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
HK HANG SENG INDEX-U	0.015	24.07	15.51	2.60	0.015	30/10/2020
HK HANG SENG INDEX-V	0.060	24.22	17.07	4.51	0.055	30/10/2020
HIBISCUS PETROLEUM BHD-WC	0.065	25.17	20.19	14.38	0.055	18/3/2021
HK HANG SENG INDEX-BB	0.100	25.26	17.42	4.72	0.100	27/11/2020
HK HANG SENG INDEX-W	0.170	27.40	20.58	6.39	0.160	30/10/2020
HK HANG SENG INDEX-BC	0.215	29.62	23.19	12.65	0.205	27/11/2020

Source: Bloomberg



25 September 2020

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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