

16 December 2020

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BURSA	15-Dec	Day chg	% chg
KLCI	1,674.0	11.28	0.68%
FTSE EMAS	12,009.0	77.1	0.65%
FTSE Smallcap	15,256.2	95.78	0.63%
FTSE MESDAQ	10,691.3	223.2	2.13%
KLSE Mkt Cap (RM'b)	1,761.0	11.3	0.65%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM m)	Value (%)
Local Institution	-99.4	47.2%
Local Retail	138.4	35.3%
Foreign	-39.0	17.5%

INDICES	15-Dec	Day chg	% chg
Dow Jones	30,199.3	337.8	1.13%
S&P 500	3,694.6	47.1	1.29%
NASDAQ	12,595.1	155.0	1.25%
FTSE-100	6,513.3	-18.5	-0.28%
Nikkei 225	26,687.8	-44.6	-0.17%
SHCOMP	3,367.2	-1.9	-0.06%
HSI	26,207.3	-182.2	-0.69%
STI	2,856.7	-1.4	-0.05%
KOSPI	2,756.8	-5.4	-0.19%
TWSE	14,068.5	-142.5	-1.00%
JCI	6,010.1	-2.4	-0.04%
SET	1,477.2	1.1	0.07%

FOREX	15-Dec	14-Dec	% chg
USD/MYR:	4.0525	4.0560	-0.09%
EUR/USD:	1.2159	1.2151	0.07%
GBP/USD:	1.3325	1.3430	-0.78%
USD/YEN:	103.98	103.72	0.25%
USD/SGD:	1.3342	1.3325	0.13%
USD/HKD:	7.7522	7.7518	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	9,964.3	11,884.4	-16.16%
Value (RMm):	5,016.6	7,203.0	-30.35%
KLCI Future			
December-20	1,676.5	1,665.5	0.66%
January-21	1,677.0	1,666.5	0.63%
CPO Price (RM/tonne)			
Soybean (US\$/bu)	1,185.8	1,169.5	1.39%
SoyOil (USc/lb)	39.0	38.5	1.12%
Gold (US\$/troy oz)	1,857.5	1,832.1	1.39%
Nymex crude oil (US\$/bbl)	47.6	47.0	1.28%
Latex (RM/kg)	5.81	5.83	-0.43%
Tin (US\$/mt)	N/A	19,780.0	N/A

#	Top Volume				Top Gainer				Top Loser			
	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)	Stock	Price	%Chg (+/-)	Vol (m)
1	TOPGLOV	6.41	1.8	35.60	TM	5.30	2.3	9.20	RHBBANK	5.69	-2.7	10.50
2	CIMB	4.50	0.5	31.20	TENAGA	10.80	1.9	10.60	KLCCSS	7.14	-2.7	1.86
3	GENM	2.81	0.4	23.00	PBBANK	21.68	1.8	8.44	DIALOG	3.36	-1.8	17.80
4	GENTING	4.80	0.4	18.90	TOPGLOV	6.41	1.8	35.60	AXIATA	3.82	-1.3	8.06
5	DIALOG	3.36	-1.8	17.80	DIGI	4.23	1.7	3.35	HAPSENG	8.21	-1.0	0.40
6	TENAGA	10.80	1.9	10.60	PICHEM	7.96	1.4	2.74	MAYBANK	8.85	-0.6	7.05
7	RHBBANK	5.69	-2.7	10.50	SIME	2.33	1.3	7.39	HLFG	18.60	-0.4	0.18
8	MISC	6.61	-0.2	9.60	HLBANK	18.84	1.3	0.85	MISC	6.61	-0.2	9.60
9	TM	5.30	2.3	9.20	SIMEPLT	5.15	1.2	1.37	HARTA	11.98	0.2	6.26
10	PBBANK	21.68	1.8	8.44	PETDAG	20.76	0.9	0.18	IHH	5.70	0.4	3.02

Notes: # KL Composite Index (FBMKLCI) component stocks

Research Highlights

NEWS HIGHLIGHTS

- F&N buys three F&B companies for RM60m (*Comment included in Kenanga Today*)
- Widad collaborates with Rinani to market Covid-19 vaccine in Malaysia
- Econpile bags RM348m job in Cambodia
- LKL banks on glove supply contract
- TFP Solutions to develop digital solutions for Sabah development cooperative

MACRO BITS

- IEA sees crude glut enduring to end-2021 amid demand strains
- Fitch's downgrade won't stifle efforts to revive economy in 2021, says Tengku Zafrul
- Over RM15.0b allocated for Wage Subsidy Programme over nine months, Dewan Rakyat told
- Budget 2021 passed in Dewan Rakyat despite opposition's last-ditch efforts to stymie bill
- Exports rebounded to a nine-month high in November (See Economic Viewpoint: Indonesia External Trade)
- China heads for strong growth in 2021 as recovery gathers pace
- Japan's latest extra budget adds USD210.0b in spending
- Singapore's home sales rise amid positive economic outlook
- U.S. manufacturing production beats expectations
- U.S. import prices inch up in November
- Fed will be tested in 2021 as vaccines boost US economic outlook
- Britain needs EU to move for mutually beneficial trade deal, minister says
- UK jobless rate rises again, redundancies hit record high

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- MidS: GKENT
- Results Note: UMCCA, UZMA
- Company Update: HARTA, KOSSAN
- On our Technical Watch: MRCB, PCCS
- Economics Viewpoint: ID External Trade



Corporate News

- **F&N buys three F&B companies for RM60m**

F&N has announced that it will buy the entire issued share capital of three food and beverage (F&B) companies — Sri Nona Food Industries Sdn Bhd, Sri Nona Industries Sdn Bhd and Lee Shun Hing Sauce Industries Sdn Bhd for RM60 million in cash. The proposed acquisition is in line with F&N's ambition to be a stable and sustainable F&B leader in Malaysia, with Halal food as its new pillar of growth. The principal activities of these three companies are the manufacture, distribution and sale of rice cakes (ketupat), condiments (oyster sauce and paste), beverages (ginger tea powder), desserts (pudding and jelly powder), jams and spreads under the "NONA" and "Lee Shun Hing" brands. The proposed acquisition is expected to be completed in 1QCY21. *(The Edge)*

Comments: The F&B businesses to be acquired are a group of companies with over 30 years track record in food manufacturing that could be a great addition to complement the group's current product portfolio, growing its income stream meaningfully in the long run. Nonetheless, while information is scarce at this juncture, given the relatively small investment value, we believe the acquisition should pose minimal impact to the group's sales and earnings in the immediate term. As the group would still be in a comfortable net-cash position post-acquisition, we do not anticipate any meaningful uptick to interest expenses as well. All-in, we are NEUTRAL on the acquisition. Maintain OP with unchanged TP of RM33.80. (By: Nikki Thang)

- **Widad collaborates with Rinani to market Covid-19 vaccine in Malaysia**

Widad Group Bhd is collaborating with Rinani Dynamic Sdn Bhd in the distribution, marketing and selling of the Covid-19 vaccine known as Vxa-Cov2-1 and other products developed by US-based Vaxart Inc in Malaysia. In a filing with Bursa Malaysia, Widad said it had entered into a memorandum of collaboration (MoC) with Rinani, which is involved in the business of investment advisory services and other management consultancy activities. *(The Edge)*

- **Econpile bags RM348m job in Cambodia**

Piling and foundation specialist Econpile Holdings Bhd has bagged an US\$85.7m (RM347.6m) contract to undertake piling and substructure works for an integrated entertainment complex in Phnom Penh, Cambodia. In a bourse filing, the group said its wholly-owned subsidiary Econpile (M) Sdn Bhd was awarded the contract by MCC International Inc Ltd. The project will be completed within 30 months from the date of commencement and is expected to contribute positively to the group's revenue and earnings for the financial year ending June 30, 2021 (FY21) onwards. *(The Edge)*

- **LKL banks on glove supply contract**

Medical beds maker LKL International Sdn Bhd made a loss in the second quarter due to lower manufacturing and trading revenue. The company, however, is banking on recently secured glove supply contract to boost its performance. For the three months ended Oct 31, LKL posted a net loss of RM1m compared with a net profit of RM433,000 made a year ago. Revenue fell to RM9.6m from RM10.67m previously. The group had in September 2020 secured a glove supply contract worth US\$18.96m (RM78.49m) from Weihai Textile Group Import and Export Co Ltd, of which the delivery has commenced this month. *(The Star)*

- **TFP Solutions to develop digital solutions for Sabah development cooperative**

TFP Solutions Bhd's subsidiary MBP Solutions Sdn Bhd has entered a memorandum of agreement with RSJ Consultancy Sdn Bhd on behalf of Koperasi Pembangunan Usahasama Masyarakat Maju Sabah Bhd to provide digital solutions services. MBP said in a filing with Bursa Malaysia it will develop and provide mobile payment terminals, sale of mobile prepaid reload and bill payments, e-remittance services, miniATMs and OneCall mobile fintech services and a Enterprise Resource Planning System to RSJ. *(The Star)*

Macro Bits

Global

- [IEA sees crude glut enduring to end-2021 amid demand strains](#) The crude-oil glut left behind by the pandemic will clear by the end of next year, as markets face a gradual recovery marked by renewed strains on demand, the International Energy Agency said. *(The Edge Markets)*

Malaysia

- [Fitch's downgrade won't stifle efforts to revive economy in 2021, says Tengku Zafrul](#) Fitch Ratings' downgrade for Malaysia's credit rating from A- to BBB+ will not stifle efforts towards economic recovery in 2021, said Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. *(The Edge Markets)*
- [Over RM15.0b allocated for Wage Subsidy Programme over nine months, Dewan Rakyat told](#) The Wage Subsidy Programme implemented over the past nine months involves an allocation of more than RM15.0b, said Deputy Finance Minister I Datuk Abd Rahim Bakri. *(The Edge Markets)*
- [Budget 2021 passed in Dewan Rakyat despite opposition's last-ditch efforts to stymie bill](#) The opposition failed in its attempt to thwart Budget 2021 as it was passed in the final approval stage in the Dewan Rakyat today via an en bloc vote. *(The Edge Markets)*

Asia Pacific

- [Exports rebounded to a nine-month high in November](#) Exports growth rebounded sharply to a nine-month high (9.5%; consensus: 2.7%; Oct: -3.5%) beating market expectation. Higher exports growth mainly attributable to a sharp rebound in non-oil & gas based products as a result of higher shipment to major trading partners. *(See Economic Viewpoint: Indonesia External Trade)*
- [China heads for strong growth in 2021 as recovery gathers pace](#) China pulled further ahead of other major economies in November as industrial output and retail sales strengthened, reinforcing expectations of healthy growth in 2021. *(The Edge Markets)*
- [Japan's latest extra budget adds USD210.0b in spending](#) Japan's cabinet approved a third extra budget with JPY21.8t (USD210.0b) in spending, as Prime Minister Yoshihide Suga looks to support the economy amid a resurgence of virus cases. *(The Edge Markets)*
- [Singapore's home sales rise amid positive economic outlook](#) Singapore home sales rose in November, following demand from locals betting that prices could rebound next year as the economy recovers from the pandemic. *(The Edge Markets)*

Americas

- [U.S. manufacturing production beats expectations](#) U.S. manufacturing output increased more than expected in November, boosted by motor vehicle production, but momentum could slow in the months ahead as a fresh outbreak of COVID-19 infections keep workers at home and temporarily shut down factories. *(Reuters)*
- [U.S. import prices inch up in November](#) U.S. import prices rebounded less than expected in November as an increase in the cost of petroleum products was offset by cheaper food and motor vehicles, supporting views that inflation could remain moderate amid a resurgence in new COVID-19 infections and rising unemployment. *(Reuters)*
- [Fed will be tested in 2021 as vaccines boost US economic outlook](#) If 2020 was the year the Federal Reserve overhauled its game plan for supporting the US economy, 2021 will be the year its new approach gets tested should a coronavirus vaccine deliver the lift that many analysts expect. *(The Edge Markets)*

Europe

- [Britain needs EU to move for mutually beneficial trade deal, minister says](#) The European Union will need to move in negotiations but it is in the interests of both Britain and the bloc to get a trade deal, British minister Steve Barclay said on Tuesday. *(Reuters)*
- [UK jobless rate rises again, redundancies hit record high](#) Britain's jobless rate rose again in the three months to October and redundancies reached a record high as companies were hit by new coronavirus restrictions and prepared for the end of government job subsidies that were eventually extended into 2021. *(The Edge Markets)*

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List of Oversold Stocks (14-Day RSI<30-mark)

NAME*	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	LOW 30D
HONG LEONG CAPITAL BHD	6.460	19.84	22.99	20.63	6.350
HARTALEGA HOLDINGS BHD	11.980	20.93	14.56	3.85	11.800
SCGM BHD	2.440	26.53	19.65	5.66	2.380
APOLLO FOOD HOLDINGS BHD	3.790	28.87	24.03	23.19	3.720
DIALOG GROUP BHD	3.360	29.54	22.74	3.42	3.300

*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	HIGH 30D
CHEMICAL CO OF MALAYSIA BHD	3.080	86.44	86.71	72.63	3.090
HIAP TECK VENTURE BHD	0.500	84.90	86.15	82.43	0.545
PANSAR BHD	0.785	84.84	92.18	99.50	0.800
MALAYSIA SMELTING CORP BHD	1.050	84.41	86.48	89.88	1.080
MICROLINK SOLUTIONS BHD	2.040	83.02	89.09	97.33	2.150
KPOWER BHD	5.940	82.85	86.88	97.47	6.000
WAH SEONG CORP BHD	0.755	81.82	83.52	77.06	0.790
ALLIANZ MALAYSIA BHD	14.800	81.58	87.69	95.17	15.380
KWANTAS CORP BHD	1.610	79.87	83.89	93.07	1.610
MUDA HOLDINGS BERHAD	2.750	78.76	79.25	78.87	3.020
SUNWAY BHD	1.600	77.52	84.04	95.53	1.620
GUOCOLAND MALAYSIA BHD	0.720	77.30	79.03	77.50	0.830
MIECO CHIPBOARD BERHAD	0.865	77.28	79.09	92.13	0.865
BUMI ARMADA BERHAD	0.385	76.83	79.37	83.49	0.405
PADINI HOLDINGS BERHAD	3.000	76.78	78.20	84.11	3.050
CAB CAKARAN CORP BHD	0.475	76.69	81.43	74.42	0.495
UOA REAL ESTATE INVESTMENT	1.270	76.22	86.22	99.67	1.270
BOILERMECH HOLDINGS BERHAD	1.060	75.77	75.46	62.35	1.130
SUNSURIA BHD	0.530	75.19	78.93	86.93	0.530
EVERGREEN FIBREBOARD BHD	0.520	74.64	78.61	89.65	0.530
CCK CONSOLIDATED HOLDINGS BH	0.610	74.47	76.07	70.29	0.635
ANN JOO RESOURCES BHD	1.120	74.24	71.80	45.18	1.230
EURO HOLDINGS BHD	2.430	73.96	70.27	58.29	2.600
CSC STEEL HOLDINGS BHD	1.220	73.84	72.68	68.58	1.330

*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
KOSSAN RUBBER INDUSTRIES-C7	0.410	24.22	20.65	17.65	0.370	26/4/2021
DUOPHARMA BIOTECH BHD-CD	0.110	26.27	20.55	10.81	0.070	7/5/2021
SUPERMAX CORP BHD-I	0.065	27.80	22.04	6.01	0.065	26/7/2021
SUPERMAX CORP BHD-C98	0.605	29.23	23.72	8.76	0.595	31/5/2021
HK HANG SENG INDEX-DJ	0.110	29.31	30.72	39.54	0.085	30/12/2020

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
AEON CO M BHD-C2	0.125	92.00	95.23	99.88	0.130	6/9/2021
GENTING MALAYSIA BHD-C88	0.140	87.14	91.61	99.67	0.145	28/7/2021
CIMB GROUP HOLDINGS BHD-C73	0.245	85.94	89.19	97.50	0.275	29/7/2021
AIRASIA GROUP BHD-J	0.155	83.02	88.22	97.56	0.170	26/4/2021
HIAP TECK VENTURE BHD-WB	0.195	82.27	84.45	85.98	0.250	23/6/2021
CIMB GROUP HOLDINGS BHD-C64	0.230	82.10	88.52	99.13	0.275	26/4/2021
SP SETIA BHD GROUP-C34	0.115	80.92	87.30	99.27	0.115	28/6/2021
AIRASIA GROUP BHD-K	0.155	79.18	86.56	96.03	0.165	26/2/2021
BUMI ARMADA BHD-C59	0.125	78.26	79.06	82.56	0.135	27/9/2021
AIRASIA GROUP BHD-E	0.030	78.01	83.84	91.99	0.030	15/1/2021
GENTING BHD-C87	0.170	77.76	83.97	97.99	0.195	26/4/2021
PETRONAS CHEMICALS GROUP BHD-C60	0.260	77.20	78.74	87.42	0.260	28/7/2021
PUBLIC BANK BHD-C46	0.295	77.19	78.82	80.31	0.400	15/1/2021
GENTING MALAYSIA BHD-C84	0.240	75.65	81.68	96.13	0.260	30/6/2021
GENTING MALAYSIA BHD-C80	0.165	75.56	84.52	99.27	0.170	26/4/2021

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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