

18 December 2020

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BURSA	17-Dec	Day chg	% chg
KLCI	1,674.4	-7.06	-0.42%
FTSE EMAS	12,031.7	-69.3	-0.57%
FTSE Smallcap	15,376.8	-56.11	-0.36%
FTSE MESDAQ	10,603.3	17.0	0.16%
KLSE Mkt Cap (RM'b)	1,764.2	-7.1	-0.40%

BURSA DAILY TRADING PARTICIPATION

Participation	Net (RM m)	Value (%)
Local Institution	-23.2	46.5%
Local Retail	13.6	36.0%
Foreign	9.7	17.5%

INDICES	17-Dec	Day chg	% chg
Dow Jones	30,303.4	148.8	0.49%
S&P 500	3,722.5	21.3	0.58%
NASDAQ	12,764.7	106.6	0.84%
FTSE-100	6,551.1	-19.8	-0.30%
Nikkei 225	26,806.7	49.3	0.18%
SHCOMP	3,404.9	37.9	1.13%
HSI	26,678.4	218.1	0.82%
STI	2,858.0	-14.8	-0.51%
KOSPI	2,770.4	-1.4	-0.05%
TWSE	14,258.9	-45.5	-0.32%
JCI	6,113.4	-5.0	-0.08%
SET	1,483.9	1.8	0.12%

FOREX	17-Dec	16-Dec	% chg
USD/MYR:	4.0337	4.0505	-0.41%
EUR/USD:	1.2228	1.2197	0.25%
GBP/USD:	1.3599	1.3504	0.70%
USD/YEN:	103.09	103.37	-0.27%
USD/SGD:	1.3258	1.3290	-0.24%
USD/HKD:	7.7525	7.7520	0.01%

KEY STATS

KLCI Spot			
Vol (m shares):	9,236.2	11,221.6	-17.69%
Value (RMm):	4,333.7	5,213.8	-16.88%
KLCI Future			
December-20	1,678.0	1,677.5	0.03%
January-21	1,681.0	1,678.5	0.15%
CPO Price (RM/tonne)	3,378.0	3,365.0	0.39%
Soybean (US\$/bu)	1,201.5	1,183.8	1.50%
SoyOil (USc/lb)	39.4	38.7	1.76%
Gold (US\$/troy oz)	1,890.8	1,859.1	1.71%
Nymex crude oil (US\$/bbl)	48.4	47.8	1.21%
Latex (RM/kg)	5.81	5.78	0.61%
Tin (US\$/mt)	N/A	19,956.0	N/A

Research Highlights

NEWS HIGHLIGHTS

- VS Industry's 1Q profit jumps 39%, declares 1.2 sen dividend
- LKL International buys land in Seri Kembangan for RM12m
- OKA Corp temporarily shuts Senai factory after two workers tested positive for Covid-19
- VSolar to raise RM10.89 mil via private placement
- Metronic Global plans private placement to raise up to RM34m to fund projects

MACRO BITS

- US hopes for trade deal with UK, Trump's trade chief says — BBC
- Economic outlook for 4Q more challenging than initially expected, says Mustapa
- Malaysia's 2021 economic recovery underpinned by effective vaccine roll-out, says World Bank
- Malaysia to benefit from RCEP through economic integration, facilitation, Dewan Rakyat told
- Holds rate steady at 3.75%, expects rupiah to strengthen (See *Economic Viewpoint: Bank Indonesia Rate Decision*)
- Philippine central bank holds rates steady but maintains dovish tone
- U.S. senator says COVID-19 deal likely to stretch into weekend - CNBC
- US jobless claims unexpectedly jump to highest in three months
- U.S. housing starts, building permits power ahead in November
- Euro zone inflation confirmed as negative in Nov for fourth month
- UK says chances of Brexit trade deal below 50.0%, despite EU optimism
- BOE maintains QE plan, extends company aid on prolonged crisis
- Germany to sell record debt of up to USD576.0b in 2021

IDEAS OF THE DAY (SEE SEPARATE REPORTS FOR DETAILS)

- Results Note: ECOWLD, SCIENTX
- Company Update: UZMA
- On our Technical Watch: GDB, RANHILL
- Rating Summary
- Economics Viewpoint: BI Rate Decision

#	Top Volume			Top Gainer	Price	%Chg (+/-)	Vol (m)	Top Loser	Price	%Chg (+/-)	Vol (m)	
	Stock	Price	%Chg (+/-)									Stock
1	TOPGLOV	6.70	-1.0	20.70	KLK	24.80	3.3	2.43	HLFG	18.04	-3.0	0.29
2	CIMB	4.40	-2.2	19.60	KLCCSS	7.31	2.7	1.93	PETDAG	19.94	-2.7	0.61
3	GENM	2.78	-1.8	12.00	PMETAL	8.03	2.2	2.86	RHBBANK	5.55	-2.6	6.28
4	DIALOG	3.41	0.9	9.49	AXIATA	3.95	2.1	8.35	TM	5.35	-2.6	7.26
5	GENTING	4.78	-1.2	9.41	SIME	2.32	1.3	5.45	CIMB	4.40	-2.2	19.60
6	AXIATA	3.95	2.1	8.35	IOICORP	4.45	1.1	3.51	GENM	2.78	-1.8	12.00
7	TM	5.35	-2.6	7.26	PPB	18.90	1.0	0.48	PBBANK	21.50	-1.7	5.50
8	HARTA	12.38	-0.5	6.82	DIALOG	3.41	0.9	9.49	MAYBANK	8.70	-1.3	4.31
9	RHBBANK	5.55	-2.6	6.28	HAPSENG	8.37	0.8	0.29	GENTING	4.78	-1.2	9.41
10	MISC	6.67	0.6	5.92	SIMEPLT	5.16	0.8	1.68	TOPGLOV	6.70	-1.0	20.70

Notes: # KL Composite Index (FBMKLCI) component stocks

Corporate News

- **VS Industry's 1Q profit jumps 39%, declares 1.2 sen dividend**

VS Industry Bhd's net profit climbed 38.7% to RM66.7m for the first quarter ended Oct 31, 2020 (1QFY21), from RM48.1m a year ago, mainly due to a favourable product sales mix for its Malaysian operations. This was despite a 4.6% drop in revenue to RM987.1m, from RM1.0b, due to a lower contribution from its China business, it said in a stock exchange filing with Bursa Malaysia. On a quarter-on-quarter (q-o-q) basis, its net profit rose 23.2% from RM54.1m for 4QFY20, while revenue grew 11.84% from RM882.6m. *(The Edge)*

- **LKL International buys land in Seri Kembangan for RM12m**

LKL International Bhd is buying two pieces of freehold industrial land in Seri Kembangan for RM12m or RM556 per sq ft. The lands, measuring a combined built up area of 21,600 sq ft or 0.49 acres, also comes with two units of three-storey semi-detached factory erected on top, the group said in a bourse filing. LKL said the acquisition is in line with the group's growth strategy to expand its manufacturing plants to facilitate greater automation, increase storage area, allow the group to expand more aggressively and take up more job orders. *(The Edge)*

- **OKA Corp temporarily shuts Senai factory after two workers tested positive for Covid-19**

OKA Corp Bhd has temporarily shut its Senai factory in Johor after two of its workers tested positive for Covid-19. The closure will be until Dec 21. The precast concrete products manufacturer with a 200-strong workforce said in a stock exchange filing that the two patients are now under medical care at a government hospital. The capacity loss from the temporary closure is estimated to be less than 0.7% of the group's total annual output, it said. The Senai factory, it said, is one of five factories the group owns. *(The Edge)*

- **VSolar to raise RM10.89 mil via private placement**

VSolar Group Bhd plans to undertake a private placement to raise an estimated RM10.9m to fund its solar photovoltaic (PV) projects. In a filing with Bursa Malaysia, VSolar said it plans to issue up to 245.2m new shares, representing 10% of its issued shares. The proceeds of RM10.9m are based on an illustrative issue price of 4.44 sen per placement share, which is a discount of 9.94% to the five-day volume weighted average price of the shares up to and including the latest practicable date (Nov 26) of 4.93 sen. *(The Edge)*

- **Metronic Global plans private placement to raise up to RM34m to fund projects**

Metronic Global Bhd plans to raise up to RM33.9m — almost a quarter of its current market capitalisation of RM141.5m — through a private placement of up to 373.7m shares or 30% of its issued shares, mainly to fund its existing and future engineering projects. The issue price of the new shares and the third party investors will be decided at a later date, the group said in a filing with Bursa Malaysia. For illustration purposes, the indicative price of the placement shares is assumed at 9.08 sen per share, a discount of 19.93% to the group's five-day volume-weighted average market price of 11.34 sen. *(The Edge)*



Macro Bits

Global

- [US hopes for trade deal with UK, Trump's trade chief says — BBC](#) The United States is hopeful of sealing a mini-trade deal with the United Kingdom to reduce tariffs, President Donald Trump's trade chief, Robert Lighthizer, told the BBC. *(The Edge Markets)*

Malaysia

- [Economic outlook for 4Q more challenging than initially expected, says Mustapa](#) The fourth quarter of the year (4Q20) is a lot more challenging in terms of mounting an economic recovery than initially expected, according to Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed. *(The Edge Markets)*
- [Malaysia's 2021 economic recovery underpinned by effective vaccine roll-out, says World Bank](#) The World Bank is forecasting Malaysia's economy to grow by 6.7% in 2021 after contracting by 5.8% in 2020. Previously, its gross domestic product (GDP) contraction forecast for 2020 was at 4.9%. *(The Edge Markets)*
- [Malaysia to benefit from RCEP through economic integration, facilitation, Dewan Rakyat told](#) Malaysia will benefit from its participation in the Regional Comprehensive Economic Partnership Agreement (RCEP) as it enhances economic integration and facilitation between Asean countries and their dialogue partners, namely China, Japan, South Korea, Australia and New Zealand. *(The Edge Markets)*

Asia Pacific

- [Holds rate steady at 3.75%, expects rupiah to strengthen](#) Bank Indonesia (BI) kept the benchmark 7-day reverse repo rate unchanged at 3.75% (KIBB: 50% probability rate cut; consensus: no change) at its final Board of Governor meeting this year. *(See Economic Viewpoint: Bank Indonesia Rate Decision)*
- [Philippine central bank holds rates steady but maintains dovish tone](#) The Philippine central bank left key interest rates steady at its last policy meeting in 2020 after a series of rate cuts earlier in the year aimed at reviving a pandemic-hit economy, but signalled readiness to take further action if needed. *(The Edge Markets)*

Americas

- [U.S. senator says COVID-19 deal likely to stretch into weekend -CNBC](#) U.S. lawmakers will likely finalize a COVID-19 aid deal and government spending bill on Saturday, forcing them to pass a short-term stopgap funding measure to avoid a government shutdown at midnight on Friday, Republican U.S. Senator Rob Portman said. *(Reuters)*
- [US jobless claims unexpectedly jump to highest in three months](#) Applications for US state unemployment benefits unexpectedly jumped to the highest level in three months, suggesting the labour market's recovery is faltering, amid the surge in Covid-19 cases and widening business restrictions. *(The Edge Markets)*
- [U.S. housing starts, building permits power ahead in November](#) U.S. homebuilding and permits increased solidly in November, pointing to sustained housing market strength even as the broader economic recovery is slowing amid a resurgence in new COVID-19 cases and lack of additional government money. *(Reuters)*

Europe

- [Euro zone inflation confirmed as negative in Nov for fourth month](#) Euro zone annual inflation was negative for a fourth consecutive month in November, matching a four-year low, as energy prices were around 8.0% lower than a year earlier. *(Reuters)*
- [UK says chances of Brexit trade deal below 50.0%, despite EU optimism](#) Senior British minister Michael Gove said on Thursday that any deal on post-Brexit trade with the European Union would need parliamentary approval before Dec. 31, and put the chances of success at less than 50.0%. *(Reuters)*
- [BOE maintains QE plan, extends company aid on prolonged crisis](#) The Bank of England kept its monetary stimulus unchanged as it awaits the outcome of trade talks between the UK and European Union, while saying the latest pandemic lockdowns will hit the economy at the start of 2021. *(The Edge Markets)*
- [Germany to sell record debt of up to USD576.0b in 2021](#) Germany will sell a record amount of federal debt in 2021 to help prop up the economy in the second year of the coronavirus crisis. *(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	6.440	19.67	22.58	18.21	6.350
KAWAN FOOD BHD	1.970	27.33	23.13	9.65	1.960
HARTALEGA HOLDINGS BHD	12.380	27.92	25.55	30.67	11.800
JCY INTERNATIONAL BHD	0.540	28.17	21.54	5.77	0.530
SCGM BHD	2.450	28.35	23.07	20.27	2.380
APOLLO FOOD HOLDINGS BHD	3.790	29.37	24.84	25.12	3.720
GREEN PACKET BHD	0.425	29.51	23.12	2.99	0.425

*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
MICROLINK SOLUTIONS BHD	2.140	86.98	92.39	98.92	2.170
CHEMICAL CO OF MALAYSIA BHD	3.080	86.44	86.71	72.63	3.090
PANSAR BHD	0.795	85.70	92.81	99.63	0.805
WAH SEONG CORP BHD	0.835	85.47	87.99	92.95	0.840
MEDIA PRIMA BHD	0.290	84.19	87.49	89.67	0.300
WCT HOLDINGS BHD	0.555	81.54	85.52	96.22	0.555
KIMLUN CORP BHD	0.925	80.75	85.58	95.49	0.940
MALAYSIA SMELTING CORP BHD	1.070	80.05	79.32	64.68	1.120
KWANTAS CORP BHD	1.610	79.87	83.89	93.07	1.610
KPOWER BHD	5.930	79.87	81.74	75.84	6.180
CCK CONSOLIDATED HOLDINGS BH	0.635	79.44	82.29	87.40	0.645
CAB CAKARAN CORP BHD	0.490	79.32	84.52	85.74	0.500
LION INDUSTRIES CORP BHD	0.470	78.77	81.34	84.54	0.510
MUDA HOLDINGS BERHAD	2.750	77.48	77.33	70.54	3.020
BOILERMECH HOLDINGS BERHAD	1.080	77.42	78.04	77.24	1.130
BUMI ARMADA BERHAD	0.385	76.83	79.37	83.49	0.405
ANN JOO RESOURCES BHD	1.150	76.19	75.03	72.46	1.230
AMWAY MALAYSIA HOLDINGS BHD	5.870	75.77	79.32	94.55	5.910
TAMBUN INDAH LAND BHD	0.695	75.23	75.27	58.96	0.710
PRESTARIANG BHD	0.755	74.70	78.76	90.44	0.765
PADINI HOLDINGS BERHAD	3.050	74.53	74.46	68.98	3.170
CSC STEEL HOLDINGS BHD	1.270	74.41	73.57	69.66	1.330
SARAWAK CONSOLIDATED INDUSTR	5.480	73.70	77.63	94.03	5.550
ALLIANZ MALAYSIA BHD	14.720	73.04	74.48	59.46	15.380
ISKANDAR WATERFRONT CITY BHD	0.620	72.76	77.62	90.54	0.635
SUNWAY BHD	1.580	72.70	75.98	61.19	1.620
SUNSURIA BHD	0.540	72.50	74.31	70.78	0.570
MIECO CHIPBOARD BERHAD	0.845	72.15	71.50	68.86	0.880
PMB TECHNOLOGY BHD	4.300	72.15	69.89	72.22	4.700
PLENITUDE BHD	1.050	72.12	78.74	87.17	1.060
GADANG HOLDINGS BHD	0.480	71.94	76.31	93.19	0.495
BERJAYA SPORTS TOTO BHD	2.250	70.95	75.60	78.58	2.270
UOA REAL ESTATE INVESTMENT	1.270	70.34	75.24	75.17	1.270
MICROLINK SOLUTIONS BHD	2.140	86.98	92.39	98.92	2.170

*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-DI	0.005	21.35	17.05	6.76	0.005	30/12/2020
HK HANG SENG INDEX-DJ	0.050	24.67	22.08	11.04	0.050	30/12/2020
DIALOG GROUP BHD-C61	0.035	25.62	26.51	38.10	0.030	31/3/2021

Source: Bloomberg

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

NAME	LAST PRICE	RSI 14D	RSI 9D	RSI 3D	HIGH 30D	EXPIRY DATE
SECUREMETRIC BHD-WA	0.060	76.63	84.06	97.50	0.070	21/1/2023
MR DIY GROUP M BHD-CI	0.395	76.18	76.16	87.28	0.400	5/7/2021
CIMB GROUP HOLDINGS BHD-C64	0.220	76.06	79.04	64.72	0.275	26/4/2021
BUMI ARMADA BHD-C59	0.125	73.93	72.99	68.43	0.135	27/9/2021
BINA PURI HOLDINGS BHD-WA	0.065	71.36	76.24	90.90	0.095	22/12/2022

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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