

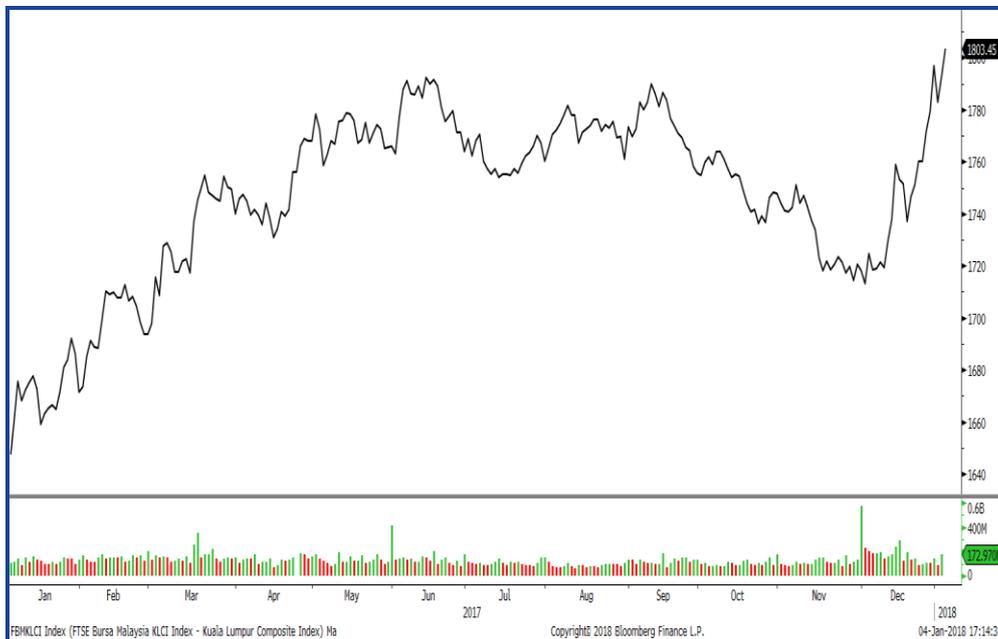
Market Pulse

Friday, 05 Jan, 2018



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FBM KLCI - Daily



Market Scorecard

| | Close 4-Jan-18 | Change % |
|----------------|-------------------|-------------|
| FBM KLCI | 1,803.45 | 0.59 |
| 52-W High | 1,803.45 | |
| 52-W Low | 1,647.99 | |
| FBM EMAS | 13,036.81 | 0.82 |
| FBM 100 | 12,686.71 | 0.78 |
| FBM Fledgling | 19,175.80 | 1.37 |
| FBM Small Cap | 17,509.98 | 1.36 |
| FBM ACE | 6,903.90 | 1.08 |
| FBM Shariah | 13,466.49 | 1.30 |
| Volume (mln) | 5,049.70 | -1.18 |
| Value (RM mln) | 3,284.81 | -10.66 |

| Market Participation | % | Net (RM mln) |
|----------------------|------|--------------|
| Institution | 49.0 | -291.6 |
| Retail | 27.5 | -24.5 |
| Foreign | 23.5 | 316.1 |

Profit Taking In Store

- The FBM KLCI closed higher for the second consecutive day, on the back of follow-through buying-support in selected heavyweights. All the lower liners climbed higher – led by the FBM Fledgling (+1.4%), FBM Small Cap (+1.4%), and FBM ACE (+1.1%). The broader market also rallied, with the Technology (+2.9%) and Industrial Products (+2.0%) sub-sectors amongst the biggest winners.
- Market breadth was still positive as advancers outweighed decliners on a ratio of 716-to-353 stocks, while 364 stocks flatlined. Traded volumes (-1.2%), however, inched lower to 5.05 bln shares as market cooled slightly after Thursday's strong rally.
- Sustained buying-support in Petronas-linked counters like Petronas Chemicals (+24.0 sen) and Petronas Gas (+16.0 sen) propped the Main Board, alongside Sime

Darby (+27.0 sen), Nestle (+20.0 sen) and Tenaga Nasional (+10.0 sen). Anchoring the gainers list on the broader market were glove manufacturers like Top Glove (+81.0 sen), Hartalega (+40.0 sen) and Kossan (+33.0 sen), followed by Vitrox (+43.0 sen) and Caely (+30.0 sen).

- Amongst the biggest decliners on were Hengyuan Refining (-44.0 sen), Dutch Lady (-30.0 sen), Ajinomoto (-28.0 sen), Allianz Malaysia (-26.0 sen) and Southern Acids (-23.0 sen). Only three key-index constituents – Genting Malaysia (-15.0 sen), Telekom Malaysia (-12.0 sen) and Public Bank (-2.0 sen) retreated yesterday.
- Major regional indices sustained their upward momentum. The Nikkei hit 26-year high, surging 3.3% - led by strong gains in exporters amid a weaker Yen and stronger-than-expected manufacturing data. Meanwhile, the Hang Seng Index

| Futures | | |
|--------------|----------|------|
| FKLI Spot | 1,813.50 | 0.78 |
| FKLI Forward | 1,812.00 | 0.78 |

| Foreign | | |
|--------------------|-----------|------|
| Dow Jones | 25,075.13 | 0.61 |
| S&P 500 | 2,723.99 | 0.40 |
| NASDAQ | 7,077.92 | 0.18 |
| FTSE 100 | 7,695.88 | 0.32 |
| DAX | 13,167.89 | 1.46 |
| CAC 40 | 5,413.69 | 1.55 |
| FTSE STI | 3,501.16 | 1.06 |
| Shanghai Composite | 3,385.71 | 0.49 |
| Hang Seng Index | 30,736.48 | 0.57 |
| Nikkei 225 | 23,506.33 | 3.26 |

| Commodities | | |
|---------------------|----------|-------|
| WTI Crude Oil (USD) | 61.94 | -0.11 |
| Brent Spot (USD) | 68.07 | 0.34 |
| Gold (USD) | 1,321.48 | -0.12 |
| CPO (RM) | 2,585.00 | -0.81 |

| Currency | | |
|----------|---------|-------|
| USD | 4.0025 | 0.10 |
| GBP | 5.4240 | 0.05 |
| EURO | 4.8305 | -0.22 |
| SGD | 3.0157 | -0.04 |
| YEN | 28.1830 | -0.29 |

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(+0.6%) and the Shanghai Composite (+0.5%) also closed higher, boosted by energy-related plays alongside most of the ASEAN stockmarkets.

- Key benchmarked U.S. indices hit yet another record high, propelled by stronger-than-anticipated jobs data. The Dow (+0.6%) soared past the 25,000 psychological mark for the first time, as General Electric (+2.1%) and IBM (+2.1%) rallied. Meanwhile, tech-heavy benchmarks like the S&P 500 and the Nasdaq also added 0.4% and 0.2% each.
- Earlier, European stockmarkets advanced as investors digested upbeat economic data and stronger crude oil prices, amid geopolitical turmoil in Iran. The FTSE (+0.3%) close a new record high since December last year – led by gains in oil companies. Meanwhile, the CAC (+1.6%) and DAX (+1.5%) also strengthened on the back of gains in automakers, after the U.S. auto sales topped estimates.

THE DAY AHEAD

- After a sterling run of late, which has resulted in the FBM KLCI rising nearly 6.0% over the past two weeks and cumulating in the key index breaching the psychological 1,800 points level, we think the uptrend is already overdone and that a pullback is in the offing to adjust from overbought.
- As it is, the Malaysian stockmarket has been sent higher on the positive global market environment of late, riding on the more sanguine global economic outlook for 2018. The return of foreign players have also helped to shore up the market, but the sharp gains recently has allowed the key index to catch up the performances of many of its regional peers and is leaving it fairly valued. Therefore, we think a consolidation spell

would allow the recent gains to be digested and with the weekend looming, we think profit taking activities are likely to set in.

- Still we think the consolidation spell will be shallow given the still firm near term underlying market outlook and there should be ample support around the 1,790 level. On the upside, the main resistance is at 1,820 points. We also think the lower liners and broader market shares will also endure bout of a mild profit taking spell ahead of the weekend as retail players close out some of their winning positions.

COMPANY BRIEF

- **Vivocom International Holdings Bhd** has secured a RM143.0 mln contract to build affordable housing units in Gombak, from Almaventures Development Sdn Bhd. The award is to build a block of 44 storeys building, 902 units of affordable housing with seven floors of car parks. Work would start once it has received the site possession and the completion date would be 36 months. (The Star Online)
- **Brahim's Holdings Bhd**'s plan to supply food to **7-Eleven Malaysia Holdings Bhd**'s convenience store chain outlets appears to have been shelved after a preliminary agreement inked between the two groups' subsidiaries lapsed after close to two years. Brahim's 51%-owned subsidiary, Brahim's SATS Food Services Sdn Bhd has inked a Memorandum of Understanding with 7-Eleven's subsidiary 7-Eleven Malaysia Sdn Bhd on 12th April 2016 for the purpose of collaborating and cooperating in food chain supply. (The Edge Daily)
- **Fima Corp Bhd** has reported that the High Court of the State Administration of Jakarta (PTTUN) has partly allowed an

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appeal by its 80.0%-owned Indonesian subsidiary against the State Administrative Court's decision to revoke its land cultivation rights there with costs. The company received PTTUN's written decision dated 11th December 2017.

- The court also declared that Indonesia's Ministry of Agricultural and Spatial Planning's order to revoke PT Nunukan Jaya Lestari's (PTNJL) land title to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 ha. (The Edge Daily)
- **CB Industrial Product Holdings Bhd** (CBIP) has entered into a contract to build a palm oil mill in Indonesia for **Oriental Holdings Bhd**. The RM61.4 mln contract entails the design, manufacture, supply, installation, testing, commissioning and performance guarantee of earth, civil, mechanical and electrical works for a continuous sterilisation palm oil mill in Lubuk Linggau, South Sumatera. (The Edge Daily)
- **Pacific & Orient Bhd** (P&O) has proposed to undertake a bonus issue on the basis of one bonus share-for-every six existing shares held, on an entitlement date to be fixed. The proposal, intended to reward shareholders for their continuous support of the company, will involve 41.0 mln new P&O shares. The bonus shares will be capitalised at 50 sen each from the company's share premium account as at 30th January 2017, which stood at RM24.3 mln. (The Edge Daily)
- **Amcorp Properties Bhd** (AmProp) has agreed to put an additional €15.0 mln (RM72.5 mln) as capital into its 50:50 real estate joint venture in Spain with Grosvenor Group Ltd. The initial JV agreement was inked in July 2017 and

at the time the capital commitment of each party in the JV was capped at €35.0 mln (RM169.0 mln). On 4th January 2018, the parties inked a variation letter agreement to push up the capital by €15.0 mln each. This will bring the new cumulative capital commitment in the JV from €70.0 mln to €100.0 mln. (The Edge Daily)

- **Caely Holdings Bhd**, whose share price surged 30 sen or 38.5% yesterday, has been slapped with an Unusual Market Activity (UMA) query by Bursa Malaysia. (The Edge Daily)

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