

Daily Highlights

27 August 2014

FUND MANAGEMENT RESEARCH

Market Review

U.S. Market Boosted By Positive Consumer Data

KLCI Top 5 Daily Gainers		
	Last Price	% Change
IOI Properties Group Bhd	2.51	5.46
IOI Corp Bhd	4.73	1.50
MISC Bhd	6.94	1.31
SapuraKencana Petroleum Bhd	4.30	0.70
Kuala Lumpur Kepong Bhd	22.22	0.54

KLCI Top 5 Daily Losers		
	Last Price	% Change
PPB Group Bhd	14.74	-1.07
Petronas Dagangan Bhd	20.80	-0.95
Genting Bhd	9.56	-0.93
Petronas Chemicals Group Bhd	6.35	-0.78
UMW Holdings Bhd	12.46	-0.64

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- The U.S. stock market closed in the green yesterday, sending the S&P500 index up 2.10 points or 0.11% to close above the psychological 2,000 mark for the first time ever. The Dow Jones Industrial Average was up by 29.83 points or 0.17%, closing at 17,106.70 points, off its intraday record of 17,153.8 points. U.S. equities were lifted from a better than expected Conference Board consumer confidence reading at 92.4 in August, marking the highest level since Oct 2007. On other overnight U.S. economic data, durable goods orders shot up 22.6% to USD300bil, thanks to an increase in contracts for Boeing Co. aircraft. Our resistance is at the 17,150 - 17,250 levels whilst any reversal for today will see the 16,650 - 16,750 level providing a cushion against any accelerated selling pressure.
- The FBMKLCI index dropped marginally by 0.49 points or 0.03%, ending at 1,861.82 points, amid continued selling pressure on blue chips. Top gainers were IOI Corp (+1.5%), MISC (+1.31%), and SK Petro (+0.70%), while the top losers were PPB Group (-1.07%), Pet Dag (-0.95%), and Genting (-0.93%). BNM is considering a possible adjustment on the statutory reserve requirement (SRR), should there be any significant change in the country's liquidity system. Any upside potential for the FBMKLCI is capped at the 1,880 - 1,890 level for today whilst a reversal will see the 1,860 - 1,850 level providing a cushion to absorb any accelerated selling activities.
- Market breadth was positive with 435 gainers outnumbering 382 losers while 320 counters remained unchanged. Total market volume stood at 3.29 billion shares worth RM2.12 billion. Investors have turned less speculative as Bursa Malaysia warned retail investors to exercise caution and "self discipline", while penny stocks like Sumatec, PDZ and Glotec still dominated the top volume league yesterday, though with much lower numbers. Strategy-wise, investors should invest in a more cautious manner and accumulate on share price weakness.

Global Equity Indices

Key bourse performance	Price						% Change					
	Last	1 day ago	3 days ago	5 days ago	1 month ago	3 month ago	1D	1W	1M	3M	MTD	YTD
DOW JONES INDUS. AVG	17106.70	17078.87	17039.49	16919.69	16960.67	16676.60	0.17	1.11	0.88	2.99	3.28	3.20
HANG SENG INDEX	25074.50	25168.91	24994.10	25122.95	24216.01	22944.30	(0.37)	(0.19)	3.55	9.28	1.28	7.59
JAKARTA COMPOSITE INDEX	5146.55	5184.96	5206.14	5165.17	5088.80	4963.93	(0.74)	(0.35)	1.13	3.68	1.13	20.41
KOSPI INDEX	2074.47	2068.05	2066.70	2072.78	2033.85	1997.63	0.31	0.08	2.00	3.85	(0.08)	3.14
FTSE Bursa Malaysia KLCI	1861.82	1862.31	1874.81	1872.16	1877.34	1867.57	(0.03)	(0.55)	(0.83)	(0.31)	(0.51)	(0.28)
FTSE BURSA MALAY TOP 100	12582.33	12585.10	12664.48	12661.19	12683.89	12558.05	(0.02)	(0.62)	(0.80)	0.19	(0.55)	(0.06)
FTSE MALAYSIA EMASSHARI	13284.65	13270.06	13393.19	13403.03	13425.51	13184.26	0.11	(0.88)	(1.05)	0.76	(0.74)	1.79
NASDAQ COMPOSITE INDEX	4570.64	4557.35	4532.10	4527.51	4449.56	4237.07	0.29	0.95	2.72	7.87	4.60	9.43
NIKKEI 225	15578.11	15521.22	15539.19	15454.45	15457.87	14636.52	0.37	0.80	0.78	6.43	(0.27)	(4.33)
PSX - PHILIPPINE SE IDX	7146.35	7133.00	7082.75	7068.51	6889.55	6790.26	0.19	1.57	3.73	6.40	4.10	21.33
S&P 500 INDEX	2000.02	1997.52	1992.37	1981.60	1978.34	1911.91	0.11	0.93	1.10	4.61	3.59	8.21
STOCK EXCH OF THAI INDEX	1560.17	1563.13	1551.41	1542.85	1543.85	1392.73	(0.19)	1.12	1.05	12.02	3.85	20.13
FTSE STRAITS TIMES INDEX	3323.02	3330.28	3324.09	3316.43	3350.17	3274.06	(0.22)	0.20	(0.81)	1.50	(1.51)	4.91
TAIWAN TAIEX INDEX	9393.95	9390.62	9283.38	9243.78	9439.29	9055.29	0.04	1.62	(0.48)	3.74	0.84	9.05

Source: Bloomberg/RHBAM

Key Sector Indicators

Plantation	Price						% Change					
	Last	1 day ago	3 days ago	5 days ago	1 month ago	3 month ago	1D	1W	1M	3M	MTD	YTD
Spot Palm Oil (RM/tonne)	1,991.00	2,036.50	2,066.00	2,096.00	2,345.00	2,538.50	(2.23)	(5.01)	(15.10)	(21.57)	(15.11)	(22.80)
Generic Palm Oil futures (RM/tonne)	2,035.00	2,049.00	2,065.00	2,074.00	2,335.00	2,520.00	(0.88)	(1.88)	(12.85)	(19.25)	(12.59)	(22.55)
Rubber												
Malaysian Rubber Board Centrifugal Latex (RM/kg)	4.13	4.18	4.18	4.18	4.44	4.62	(1.08)	(1.20)	(8.88)	(10.51)	(7.19)	(23.94)
Oil & Gas												
West Texas Intermediate (WTI) Crude Oil	93.86	95.10	96.31	94.48	106.34	104.95	(1.30)	(0.68)	(11.74)	(10.57)	(4.39)	(4.63)
Currency												
Ringgit to USD	3.16	3.16	3.16	3.18	3.17	3.22	0.04	0.67	0.50	1.99	1.73	3.91
Transportation												
Baltic Dry Index	1,070.00	1,088.00	1,061.00	1,042.00	739.00	964.00	(1.85)	2.89	44.79	11.00	41.72	(53.01)
Gold												
Gold Spot (USD/oz)	1,282.55	1,261.20	1,261.10	1,291.94	1,304.05	1,284.95	0.11	(0.73)	(1.55)	1.39	(0.00)	6.73
Steel												
CRB Commodities Index	484.75	485.20	482.85	482.69	490.45	498.31	(0.09)	0.43	(1.15)	(2.72)	(0.75)	6.22

Source: Bloomberg/RHBAM

News Bits

Nursing Malaysia Airlines to health may cost RM5bil

The cost of reviving Malaysia Airlines (MAS) could come up to RM5bil over the next three years, according to sources familiar with the restructuring. They said the figure was a rough estimate and that the final bill to put the national carrier back on track was still being hammered out by consultants engaged by Khazanah Nasional Bhd. "The amount includes compensation for workers, penalties for breaking existing contracts and additional funds to steer MAS off its current rough patch. *Source: The Star Online*

Guocoland fourth-quarter earnings jump massive 694%

Guocoland (Malaysia) Bhd posted a 694% jump in net profit for its fourth quarter, mainly due to the revaluation of its investment properties. The property group's earnings for the quarter ended June 30 stood at RM112.32mil, compared with RM14.14mil in the corresponding period last year. This was boosted by the recognition of net fair value gain of RM112.5mil from the valuation of investment properties. *Source: The Star Online*

IJM aims to complete Silk highway deal by March 2015

IJM Corp Bhd is hopeful that the proposed RM398mil acquisition of the Sistem Lingkar-Lebuhraya Kajang (Silk Highway) from Silk Holdings Bhd would be realised by the financial year ending March 2015 (FY15). Managing director and chief executive Datuk Teh Kean Ming said that the proposed purchase of the highway was now subjected to various regulatory approvals by regulators, shareholders and bond holders. IJM said that the proposed acquisition of the Silk Highway would enable it to tap into the vehicle traffic growth in the Klang Valley. *Source: The Star Online*

Hartalega to expand glove output

Rubber glove maker Hartalega Holdings Bhd expects its top line growth to remain flat for its financial year ending March 31, 2015, as its operations are currently running at full production capacity. Its executive chairman Kuan Kam Hon said however that production was expected to go up by another five billion pieces in the financial year 2016, bringing the total capacity projection to around 18 billion pieces. *Source: The Star Online*

Better jobs market lifting consumer confidence

A strengthening labor market perked up consumers this month, bumping up their confidence to the highest level in seven years, according to data released Tuesday. The overall consumer-confidence index rose to 92.4 — the highest since October 2007 — from a revised 90.3 in July. Economists polled by MarketWatch had expected the index to pull back to 88.5 from an originally reported 90.9 in July. *Source: Market Watch Online*

Slower home-price growth pointing to normal market

U.S. home prices are slowing down, with easing annual growth in 20 major cities bringing the market closer to normality, according to data released Tuesday. For a fourth consecutive monthly gain, U.S. home prices rose 1% in June, pushing annual price growth to 8.1%, the leanest year-over-year result since January 2013, according to the S&P/Case-Shiller's 20-city composite index of 20 major cities released Tuesday. For the first time since early 2008, each of the 20 cities saw annual price growth slow down. Slower home-price growth, along with indicators such as a more positive outlook among home builders, are a good sign, said David Blitzer, index committee chairman at S&P Dow Jones Indices. *Source: Market Watch Online*

Technical Viewpoint

FBM KLCI Performance (Last close : 1,861.8)



Technical Ratings: Recovery trend

Support: 1,860 – 1,850

Resistance: 1,880 – 1,890

Outlook: KLCI to trade between 1,860-1,870.

Technical Indicators Scoresheet:

Relative Strength Index: 45.17-level. Decreasing trend

Stochastic: 49.97 level. Neutral zone. Decreasing trend

MACD: -2.15-level. Negative region. Rising trend

Moving Averages: Below the 50-day SMA

Ringgit Performance (Last close : 3.1592)



Technical Ratings: Positive trend

Support (RM): 3.1850 – 3.1950

Resistance (RM): 3.1450 – 3.1550

Outlook: Volatile

Technical Indicators Scoresheet:

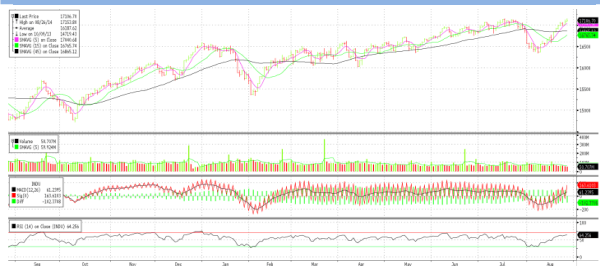
Relative Strength Index: 40.61-level. Flattish trend

Stochastic: 14.99 level. Oversold zone. Decreasing trend

MACD: (0.01)-level. Decreasing trend

Moving Averages: Below the 45-day SMA. Bearish trend

Dow Jones (Last close : 17,106.7)



Technical Ratings: Recovery trend

Support: 16,650 – 16,750

Resistance: 17,150 – 17,250

Outlook: Positive

Technical Indicators Scoresheet:

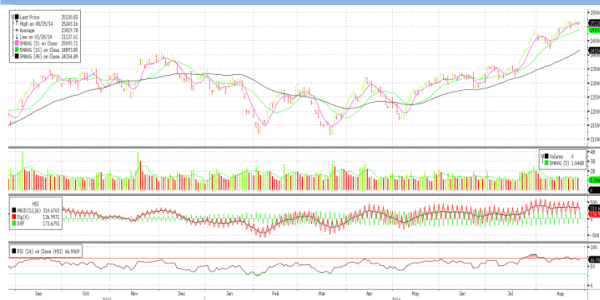
Relative Strength Index: 64.26 level. Increasing trend

Stochastic: 94.26 level. Overbought zone. Increasing trend

MACD: 61.24-level. Positive region. Rising trend

Moving Averages: Above the 200-day SMA

Hang Seng Index (Last close : 25,074.5)



Technical Ratings: Overbought

Support (RM): 24,750 – 24,850

Resistance (RM): 25,250 – 25,350

Outlook: Overbought

Technical Indicators Scoresheet:

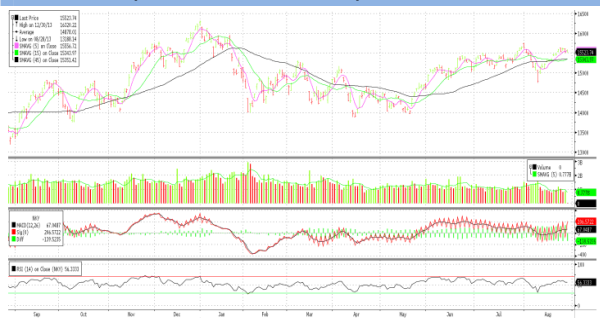
Relative Strength Index: 67.20-level. Flattish trend

Stochastic: 89.67 level. Overbought zone. Decreasing trend

MACD: 311.77-level. Positive zone. Flattish trend

Moving Averages: Above the 45-day SMA. Bearish trend

Nikkei 225 (Last close : 15,521.2)



Technical Ratings: Rising trend

Support: 15,250 – 15,350

Resistance: 15,650 – 15,750

Outlook: Volatile

Technical Indicators Scoresheet:

Relative Strength Index: 56.34-level. Rising indicator

Stochastic: 76.69-level. Overbought zone. Rising trend

MACD: 67.10-level. Positive zone. Increasing trend

Moving Averages: Above the 200-day SMA