

Daily Highlights

5 November 2014

FUND MANAGEMENT
RESEARCH

Market Review

Equity Markets Rally Pauses on Eurozone Growth Concerns

- Most of the key U.S. stock indices ended Tuesday's volatile trading session in the red, bogged down by energy names, as both WTI and BRENT crude oil prices sank deeper into bear market territory on Saudi Arabia's decision to alter oil prices sold to U.S. and Asian buyers. Blue-chip bellwether Dow Jones Industrial Average rose 17.6 points or 0.10%, closed at 17,383.84 while the S&P500 index shed 5.71 points, finishing at 2012.1. Across the Atlantic, equity markets sank as the European Commission cut its real GDP growth forecast for the eurozone region to 0.8% from 1.2% earlier this year. The European Central Bank meets this Thursday. Our Dow resistance is at 17,450 - 17,550 whilst any reversal for today will see the 17,050 - 17,150 level providing a cushion against any accelerated selling pressure.
- The FBMKLCI was down 5.98 points or 0.32%, closing at 1,847.36 points, as index decliners led by SKPETRO (-3.54% to RM3.27), UMW (-4.48% to RM11.10), and BAT (-2.19% to RM67.86) outran gains in MISC (+3.19% to RM7.12), TENAGA (+1.04% to RM13.64) and ASTRO (+1.82% to RM3.35). Trading amongst the Plantation Index component stocks was mixed despite higher CPO prices on the back of a weaker RM. Plantation gainers yesterday included THPLANT (+1.16% to RM1.74), IOICORP (+0.62% to RM4.90), TSH (+0.43% to RM2.33) and SIME (+0.21% to RM9.68). We could see upside potential for the FBMKLCI being capped at the 1,870 - 1,880 level for today whilst a reversal will see the 1,800 - 1,810 level cushioning against any accelerated selling activities.
- Market breadth was negative with 438 losers outnumbered 378 gainers. Yesterday's market volume stood at 1.68 billion worth RM 2.14 billion. Strategy-wise, investors should remain invested and accumulate on deep value counters on share price weakness.

KLCI Top 5 Daily Gainers		
	Last Price	% Change
MISC Bhd	7.12	3.19
Astro Malaysia Holdings Bhd	3.35	1.82
Tenaga Nasional Bhd	13.64	1.04
DiGi.Com Bhd	6.19	0.85
Telekom Malaysia Bhd	7.33	0.69

KLCI Top 5 Daily Losers		
	Last Price	% Change
UMW Holdings Bhd	11.10	-4.48
SapuraKencana Petroleum Bhd	3.27	-3.54
British American Tobacco Malaysia Bhd	67.86	-2.19
Genting Malaysia Bhd	4.22	-1.86
Hong Leong Financial Group Bhd	17.88	-1.76

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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	17383.84	17366.24	17195.42	17005.75	17009.69	16569.28	0.10	2.22	2.20	4.92	(0.04)	4.87
HANG SENG INDEX	23845.66	23915.97	23702.04	23520.36	23064.56	24648.26	(0.29)	1.38	3.39	(3.26)	(0.64)	2.31
JAKARTA COMPOSITE INDEX	5070.94	5085.51	5058.85	5001.30	4949.35	5109.09	(0.29)	1.39	2.46	(0.75)	(0.37)	18.64
KOSPI INDEX	1940.82	1935.19	1964.43	1961.17	1976.16	2066.26	0.29	(1.04)	(1.79)	(6.07)	(1.20)	(3.51)
FTSE Bursa Malaysia KLCI	1847.36	1853.34	1842.78	1825.68	1840.82	1876.69	(0.32)	1.19	0.36	(1.56)	(0.42)	(1.05)
FTSE BURSA MALAY TOP 100	12471.55	12512.60	12428.02	12315.87	12448.42	12682.97	(0.33)	1.26	0.19	(1.67)	(0.36)	(0.94)
FTSE MALAYSIA EMASSHARI	13322.30	13358.11	13228.27	13088.28	13145.43	13409.37	(0.27)	1.79	1.35	(0.65)	(0.18)	2.07
NASDAQ COMPOSITE INDEX	4623.64	4638.91	4566.14	4564.29	4475.62	4383.99	(0.33)	1.30	3.31	5.47	(0.15)	10.70
NIKKEI 225	16808.39	16862.47	16658.20	15329.91	15708.65	15320.31	(0.32)	9.64	7.00	9.71	2.40	3.17
PSEI - PHILIPPINE SE IDX	7222.01	7312.85	7170.99	7066.74	7247.03	6974.00	(1.24)	2.20	(0.35)	3.56	0.09	22.62
S&P 500 INDEX	2012.10	2017.81	1994.65	1985.05	1967.90	1938.99	(0.28)	1.36	2.25	3.77	(0.29)	8.86
STOCK EXCH OF THAI INDEX	1585.15	1579.18	1565.35	1556.53	1570.28	1528.98	0.38	1.84	0.95	3.67	0.06	22.06
FTSE STRAITS TIMES INDEX	3281.57	3290.84	3234.31	3211.65	3253.24	3327.67	(0.28)	2.18	0.87	(1.39)	0.22	3.60
TAIWAN TAIEX INDEX	8989.18	9004.86	8888.07	8773.55	9106.28	9141.44	(0.17)	2.46	(1.29)	(1.67)	0.16	4.39

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)	2,309.00	2,269.00	2,233.50	2,174.50	2,176.50	2,349.00	1.76	6.19	6.09	(1.70)	1.76	(10.24)
Generic Palm Oil futures (RM/tonne)	2,285.00	2,315.00	2,275.00	2,222.00	2,187.00	2,341.00	(1.30)	2.84	4.48	(2.39)	(0.44)	(13.05)
Rubber												
Malaysian Rubber Board Centrifuged Latex (RM/kg)	3.99	3.99	3.99	3.96	3.71	4.43	0.00	1.01	7.55	(9.83)	(0.25)	(25.94)
Oil & gas												
West Texas Intermediate (WTI) Cushing Crude Oil	77.19	78.78	81.12	81.42	89.74	98.29	(2.02)	(5.20)	(13.98)	(21.47)	(4.16)	(21.57)
Currency												
Ringgit to USD	3.33	3.34	3.31	3.29	3.26	3.20	0.10	(1.44)	(2.16)	(4.03)	(0.70)	(1.60)
Transportation												
Baltic Dry Index	1,484.00	1,456.00	1,424.00	1,395.00	1,037.00	753.00	1.92	6.38	43.11	97.08	3.92	(34.83)
Gold												
Gold Spot (USD/oz)	1,168.56	1,168.39	1,172.94	1,212.15	1,207.30	1,288.78	0.01	(3.60)	(3.21)	(9.33)	(0.37)	(2.75)
Steel												
CRB Commodities Index	458.98	458.92	460.99	458.94	470.64	487.27	0.01	0.01	(2.48)	(5.81)	0.01	0.57

Source: Bloomberg/RHBAM

News Bits

Century plans to buy land

Century Logistics Bhd's unit has proposed to acquire two adjoining parcels of vacant industrial land, measuring 8.2 acres, in Klang, Selangor, for RM38.68mil cash. The proposed land acquisition, the group said, was to facilitate the group's expansion of its distribution centres in the Klang Valley. Century said in a statement that it had plans to construct warehouses and office buildings on the two parcels of land, with the construction cost to be funded via internally generated funds and bank borrowings. *Source: The Star Online*

MGRC teams up with Felda

Malaysian Genomics Resource Centre Bhd (MGRC) has tied up with Felda Wellness Corp Sdn Bhd (FWC) to provide services relating to the research and development of plant-derived compounds for commercial applications in human health, cosmetics and nutrition. MGRC said in its filings that a total of RM19mil has been allocated by FWC for the project, which was due for completion in 2017. *Source: The Star Online*

Tasek declares special dividend

Tasek Corp Bhd has declared a special single-tier dividend of 50 sen per share in conjunction with the company's 50th anniversary this year. The cement manufacturer said the special dividend would be payable on Dec 8, with eligibility date set at Nov 19. Tasek saw a 7.1% drop in earnings to RM21.5mil from RM23.1mil in the third quarter ended Sept 30, 2014, despite revenue rising 3.3% to RM148.7mil from RM143.9mil. *Source: The Star Online*

Crude oil at four-year low after Saudi Arabia price cut

Crude oil prices have hit a four-year low after Saudi Arabia unexpectedly cut the price of oil sold to the US. Brent crude fell to near \$82 (£51.24) a barrel as worries about global growth also spooked investors. Earlier, the European Commission reduced its growth forecasts for the eurozone. Investors are concerned about the US oil industry in the face of slowing growth and lower prices. Some worry that low oil prices could hurt domestic US producers dependent on high prices for profitability. *Source: BBC Online*

Alibaba's profits up 15% in first results after flotation

Chinese e-commerce giant Alibaba has reported a 15% rise in quarterly profits in its first set of results since it listed its shares in New York. Net income in the July-to-September rose to \$1.1bn (£687m). Alibaba, founded in 1999 by Jack Ma, floated in New York in September, breaking records by raising \$25bn. The shares have traded around 45% above the listing price in expectation that the firm's rapid growth will continue. Shares were 2% higher in early trading. *Source: BBC Online*

Eurozone economic forecast cut by European Commission

The economy of the 18-country strong eurozone will grow by just 0.8% this year, the European Commission has said. The forecast is below the 1.2% estimate made earlier this year. The commission has also cut its growth forecast for 2015 to 1.1% from 1.7%. EU vice president Jyrki Katainen said "the economic and employment situation is not improving fast enough". The report predicts that inflation in the eurozone will continue to be low and employment high. *Source: BBC Online*

Technical Viewpoint

FBM KLCI Performance (Last close : 1,847.4)



Technical Ratings: Recovery trend

Support: 1,800 – 1,810
Resistance: 1,870 – 1,880
Outlook: Positive

Technical Indicators Scoresheet:

Relative Strength Index: 58.47-level. Rising trend
Stochastic: 88.32 level. Overbought zone. Rising trend
MACD: 2.81-level. Positive region. Rising trend
Moving Averages: Below the 200-day SMA

Ringgit Performance (Last close : 3.3381)



Technical Ratings: Bearish trend

Support (RM): 3.3350 – 3.3450
Resistance (RM): 3.2850 – 3.2950
Outlook: Volatile

Technical Indicators Scoresheet:

Relative Strength Index: 69.38-level. Rising trend
Stochastic: 89.82 level. Overbought zone. Rising trend
MACD: 0.02-level. Rising trend
Moving Averages: Above the 45-day SMA. Bearish trend

Dow Jones (Last close : 17,383.8)



Technical Ratings: Recovery trend

Support: 17,050 – 17,150
Resistance: 17,450 – 17,550
Outlook: Positive

Technical Indicators Scoresheet:

Relative Strength Index: 65.57 level. Rising trend
Stochastic: 98.28 level. Overbought zone. Increasing trend
MACD: 128.54-level. Positive region. Rising trend
Moving Averages: Below the 200-day SMA

Hang Seng Index (Last close : 23,845.7)



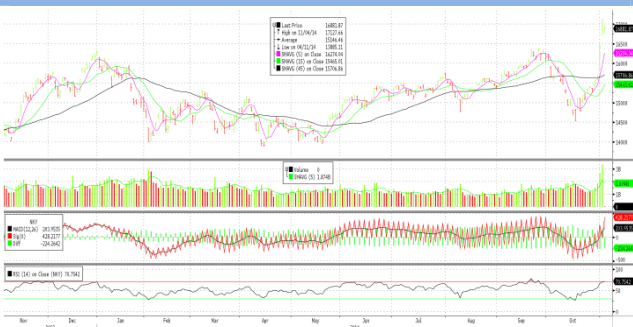
Technical Ratings: Recovery tone

Support (RM): 23,450 – 23,550
Resistance (RM): 24,250 – 24,350
Outlook: Volatile

Technical Indicators Scoresheet:

Relative Strength Index: 55.69-level. Rising trend
Stochastic: 77.26 level. Overbought zone. Increasing trend
MACD: 19.25-level. Positive zone. Rising trend
Moving Averages: Below the 100-day SMA. Bearish trend

Nikkei 225 (Last close : 16,862.5)



Technical Ratings: Positive trend

Support: 16,350 – 16,450
Resistance: 16,950 – 17,050
Outlook: Volatile

Technical Indicators Scoresheet:

Relative Strength Index: 70.78-level. Rising trend
Stochastic: 90.91-level. Overbought zone. Rising trend
MACD: 204.57-level. Negative zone. Rising trend
Moving Averages: Below the 200-day SMA