

Headline	Bursa climbs 59 points after hitting year-low		
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Bursa climbs 59 points after hitting year-low

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by DASHVEENJIT KAUR

BURSA Malaysia has had its best monthly performance in the four trading weeks with the benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) rising some 59 points.

The benchmark index ended last week at 1,609.73 points, some 58.85 points higher than 1,551.23 points a month ago, when it was trading at its 52-week low.

This led to an increase in market capitalisation to RM1.71 trillion as of last Friday from RM1.69 trillion one month ago.

Year-to-date (YTD), the benchmark is still down 4.8%, heading for the worst year since 2018 where the index fell 5.9%. The index remains the least loved in the region.

The MSCI AC Asia Pacific Index has gained 8.1% in the same period.

The FBM KLCI is 71% below its 52-week high on Feb 22, 2019, and 3.93% above its low on Oct 10, 2019.

Biggest Movers in the Last 30 Days

Penny stocks were the biggest movers on the local stock market over the past one month. These include Bumi Armada Bhd, FGV Holdings Bhd, Veleso Energy Bhd and Leong Hup International Bhd.



FGV Holdings' share price has surged 27% over the last 1 month on higher product prices and expectations for the planter's turnaround plan to bear results

Shares in Bumi Armada and Veleso Energy rose 37.14% and 23.08% respectively over the last 30 days.

UOB Kay Hian Securities (M) Sdn Bhd noted that the jack-up rig count has increased from earlier in the year, pointing to improvement in upstream activity.

The share prices of these companies were driven by Petroleum Nasional Bhd's (Petronas) guidance of higher capital expenditure in the latter half of the year.

Bumi Armada closed, at 48 sen last Friday with a market capitalisation of RM2.79 billion, while

Veleso Energy closed at 40 sen, valued at RM3.2 billion.

FGV's share price has surged 27% over the last one month on higher product prices and expectations for the planter's turnaround plan to bear results.

Last Friday, the group — 33.7%-owned by the Federal Land Development Authority — rose 5.2% to close at RM1.21 after dropping to 84.5 sen early last month.

The company is currently valued at RM4.41 billion based on last Friday's market capitalisation.

Malaysian Pacific Industry Bhd and Leong Hup have gained by

17.69% and 16.27% respectively over the last four weeks. The former is currently trading at RM10.76 per share as of last Friday and the latter at 93 sen.

But, November Rain

In a market outlook note last Friday, Hong Leong Investment Bank Bhd (HLIB) said drawing from historical probability, November has a 70% chance of ending in the red, suggesting a strategy to buy on any weakness to ride on a likely December upside.

"We noticed November has traditionally been a red month for the

index; negative returns ranging -1.3% to -3.7% in seven of the past 10 years (exceptions were in 2009, 2013 and 2015).

"This could be due to misses on the third-quarter results season, which are mostly reported in November," it said.

The FBM KLCI registered positive December returns in nine of the past 10 years, ranging between 0.6% and 4.8%. Regardless of market movement throughout the year, the window dressing phenomenon has been quite significant, the research house noted.

"The 'October Effect' came and left without leaving much scars (FBM KLCI +0.9% month-on-month); ironically this perceived market anomaly has historically not played out much in Malaysia, with the FBM KLCI recording negative October returns only twice over the past decade," HLIB said.

After coming off -5.2% YTD (-5.3% currency adjusted), HLIB stated the local benchmark was the worst performer within Asean-5, while the rest were in positive territory.

Potential stocks that could attract investor interest are Axiata Group Bhd, DiGi.Com Bhd, Genting Malaysia Bhd, Hong Leong Bank Bhd, IOI Corp Bhd, Kuala Lumpur Kepong Bhd, Malayan Banking Bhd, Petronas Dagangan Bhd, Petronas Gas Bhd, Petronas Chemicals Group Bhd, Public Bank Bhd, Sime Darby Bhd and Tenaga Nasional Bhd.

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