

TSMC'S GUIDANCE PROVIDES A FRESH FEAR FOR TECH

Big blow for chip manufacturers after TSMC lowered down its full year revenue growth forecast as the company blamed smartphones pressures. Even though the impact to the local players is still unknown but some investors have already begun selling. This mismatch indicates a chance to invest at a discounted price especially in 'non-phone' chip manufacturers. At this juncture, DOGT MK is our hot favorite for small-cap tech.

Big-cap stocks selling like hot cakes; KLCI was decent last week finishing 1.0% higher wowed by Petronas-linked stocks. There were 23 counters delivering positive returns led by **PETDAG (8%)**, **PMETAL (7%)** and **PETGAS (3%)** while in the red corner, **AMBANK (-3%)**, **ASTRO (-2%)** and **GENTING (-1%)** came in on top of the ranking. Within the top 100, SAPNRG, ARMADA, MAYBANK, YTL and DIGI were among the five most actively traded counters. For the whole Bursa, total volume and value traded decreased -21% wowed and -7% wowed respectively.

Outlook for the week ahead

Earnings season is back in the United States and Wall-street will definitely set the tone for the week. Tech giants like Google, Facebook, Amazon, Microsoft and Intel are set to report in the days ahead. In Bursa, tech stocks are expected to slide lower after TSMC's guidance which will make room for bargain hunting while Oil & Gas stocks are expected to trend higher after oil prices breaking through 3-year highs and continue to climb last week; DEHB MK and DLG MK are our top pick.

CHART OF THE WEEK – TSM US

Gapped down more than 7%; that's a bad sign for tech stocks



May be a good proxy for global semi-conductor industry. Apple-linked counters such as GTB MK, INRI MK and UNI MK could be affected.

WEEKLY DATA CENTER

MAJOR INDEX	Beginning of week	End of week	Weekly Change (Pts)	Weekly Change (%)	MTD Change (%)	YTD Change (%)
Bursa Malaysia Index						
FTSE Bursa Malaysia KLCI	1,868	1,888	19.28	1.0%	1.30	5.06
FTSE BM Hijrah Shariah	15,162	15,219	57.40	0.38%	1.07	4.75
FTSE Bursa Mal Top 100	12,922	12,976	54.40	0.42%	0.99	2.87
FTSE Bursa Malaysia Emas	13,130	13,169	39.02	0.30%	0.94	1.75
FTSE Malaysia Emasshari	13,353	13,350	(2.63)	(0.02%)	0.90	0.35
FTSE Bursa Mal Mid 70 IX	15,820	15,617	(202.55)	(1.28%)	0.10	2.91
FTSE Bursa Mal Small Cap	15,127	14,891	(236.15)	(1.56%)	0.23	12.67
Bursa Malaysia Sector						
Bursa Malaysia Finance	18,262	18,488	226.00	1.24%	1.43	9.65
Bursa Malaysia Consumer	692	698	6.24	0.90%	0.97	7.97
Bursa Malaysia Plantation	8,055	7,994	(60.64)	(0.75%)	0.09	1.15
Bursa Malaysia Indusproduct	176	176	0.49	0.28%	2.92	0.94
Bursa Malaysia Trad/Svc	232	233	0.96	0.41%	1.27	0.19
Bursa Malaysia Industrial	3,221	3,285	63.72	1.98%	1.45	0.12
Bursa Malaysia Construction	288	284	(3.80)	(1.32%)	0.05	9.03
Bursa Malaysia Property	1,081	1,080	(1.51)	(0.14%)	0.46	12.00
Bursa Malaysia Technology	34.74	31.70	(3.04)	(8.75%)	2.46	24.27
Commodities						
Brent Crude Futr	71	73	1.22	1.71%	5.45	9.85
WTI Crude Oil Futures	67	68	1.10	1.64%	5.52	12.75
Gold Spot \$/Oz	1,346	1,341	(4.97)	(0.37%)	1.19	2.95
Crude Palm Oil Future	2,399	2,404	5.00	0.21%	0.87	3.96
Currencies						
USD-MYR X-Rate	3.88	3.89	0.0142	0.37%	0.79	3.77
JPY-MYR X-Rate	3.61	3.62	0.0040	0.11%	0.46	0.76

WEEKLY FUND FLOW TRACKER

Foreign funds were net buyer with Rm582m of inflow while local funds were net seller with Rm32m of outflow. Moving forward, we believe fund flow is expected to remain consistent as we are getting closer to GE14. Healthy inflow of foreign funds over the last three weeks could give us a fair signal that the upcoming election might be a good one and there's a high possibility of reaching 2000.

Disclosures and Disclaimers

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