



02 January 2020

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Previous Day Highlights

The FBM KLCI lost 26.9 points or 1.67% to 1,588.8 on the last trading day of 2019. This marked a yearly decline of 6.0%, making it the worst performer within the SEA benchmark indices. There were 552 decliners versus 314 gainers.

Asia equities closed mostly lower with the Shanghai Composite Index gained 0.33% while Hang Seng Index lost 129.7 points to 28,189.8 and Nikkei 225 Index dropped 0.76%.

The Dow Jones Composite Index closed 0.37% lower to 28,538.4. Meanwhile, technology-led Nasdaq Composite Index closed at 8,972.6 while S&P 500 Index ended at 3,230.8.



News For The Day

Poh Huat 4Q net profit sinks 29%

Furniture-maker Poh Huat Resources Holdings Bhd's net profit fell 28.9% to RM14.83m in the fourth quarter ended Oct 31, 2019 from RM20.86m a year ago, on lower contribution from both its Malaysian and Vietnamese operations, as well as lower other income. - *The Edge Markets*

TDM to buy 70% stake in plantation company

TDM Bhd entered into a heads of agreement with TH Plantations Bhd for the acquisition of a 70% stake in THP-YT Plantation Sdn Bhd for RM7m. - *Sunbiz*

E&O, Japan's Mitsui Fudosan to develop luxury residences in Damansara Heights

Eastern & Oriental Bhd and Japan's Mitsui Fudosan Co Ltd have entered into a joint venture agreement to develop luxury residences in Damansara Heights. - *Sunbiz*

JHM Consolidation to transfer to Main Market

Microelectronics components maker JHM Consolidation Bhd plans to transfer its listing from the ACE Market to the Main Market of Bursa Malaysia. - *The Edge Markets*

Borneo Oil plans placement to raise RM30.56m

Borneo Oil Bhd is planning to raise up to RM30.56m via private placement of up to 10% of its total issued shares to third party investors to be identified, to fund its limestone operations. - *The Edge Markets*

Bracing for the next digital wave

The local digital market is set to see more excitement this year as the next wave of digitalisation kicks in. Bank Negara finally released its licensing framework for digital banks with the issuance of up to five digital bank licences. - *Sunbiz*



Our Thoughts

Wall Street ended 2019 on a high, the US and China are going to seal phase 1 of their protracted trade discussion plus we are into a new decade. All these should be positive for the regional equity markets and expect some upside today. On the domestic front, after a pathetic finale for 2019 we reckon buying should emerge today. Judging from the solid MYR now at 4.09/US\$1, we believe there are foreign monies circulating within the local financial system and may mop up equities on a cheap. As such, we foresee the FBM KLCI to breach the 1,600 mark today. Do keep an eye on the plantations sector as consensus are upgrading the sector to OVERWEIGHT following the uptrend of CPO prices now at above the RM3,100/MT.



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