



08 October 2019

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Previous Day Highlights

The FBM KLCI rebounded to positive territory yesterday with a marginal gain of 1.33 points or 0.09% after the heavy sell down last week. The index closed at 1,559.0 points with an intra-day low of 1,555.55 level. However, market sentiment remained weak with 416 losers outnumbering 355 gainers.

Major Asian stock markets were lower as the Hong Kong's Hang Seng Index dropped 289 points to 25,821.03. Nikkei 225 Index also ended 0.16% lower.

US stock market trended lower with the Dow Jones Industrial Average Index dropped 0.36% to 26,478.0 points. Nasdaq Composite Index was down 0.33% while S&P 500 Index lost 0.45%.



News For The Day

We can sell PLUS, but govt must have a say - PM

Prime Minister Tun Dr Mahathir Mohamad has said the government can sell PLUS Malaysia Bhd to private entities on the condition that the government still participates in the highway owner and operator's future decision-making. – *The Edge Financial Daily*

Ann Joo, Southern Steel join forces

Ann Joo Resources Bhd and Southern Steel Bhd are joining forces via a 55:45 joint venture company to synergise opportunities in the long product steel manufacturing business. – *The Edge Financial Daily*

Hibiscus buys more O&G rights in North Sea

Hibiscus Petroleum Bhd, through its indirect wholly-owned subsidiary Anasuria Hibiscus UK Ltd, is acquiring more oil and gas rights from United Oil & Gas plc and Swift Exploration Ltd up to US\$5m (RM20.95m) cash. – *The Edge Financial Daily*

OCK to raise money from private placement

OCK Group Bhd is expected to raise up to RM62.46m from a proposed private placement exercise. Some RM57.36m from the proceeds raised will be allocated towards the development and acquisition of green energy assets, while RM5m will be used towards working capital and the remaining RM100,000 to defray the cost of its private placement exercise. – *SunBiz*

Econpile secures contract

Econpile Holdings Bhd's unit has been awarded a contract worth RM20.8m to undertake works for a proposed commercial development in Subang Jaya. – *The Edge Markets*

Budget 2020 likely to include mini fiscal stimulus package

The government will likely present an expanded budget this Friday to temper a weak economic outlook, as it grapples with global recession fears, the protracted US-China trade war and a large debt pile left behind by its predecessors. – *The Star Online*



Our Thoughts

We believe the local bourse to remain in the doldrums in the absence of any catalysts for the time being. Reflecting investors sentiments now at its lowest ebb, foreign funds continue with their selling as net foreign outflow has now touched RM8.7bn year to date. Disappointedly we reckon majority of the foreign fund managers are not expecting much from Budget 2020 hence the persistent selling on domestic equities. As a result, the Ringgit is not performing either hovering at almost the MYR4.20/USD1 level displaying underlying weaknesses amid the shift to a low interest rate regime within the region. Expect the FBM KLCI to remain stuck in its consolidation phase within the 1,550-1,560 range today.



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