



09 October 2019

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Previous Day Highlights

The FBM KLCI closed flat at 1,558.79 points yesterday. Bursa Construction Index was one of the actively traded indices yesterday, gaining 2.04%. Market breadth was positive with 428 gainers outpacing 381 losers.

Shanghai Composite Index gained 0.29% to 2,913.6 points following a week-long holiday. Japan's Nikkei 225 Index was up 0.99% and Hong Kong's Hang Seng Index rose 0.28%.

US stock market trended lower with the Dow Jones Industrial Average Index losing 314 points to 26,164.04. The tech-heavy Nasdaq Composite Index also closed 1.67% lower to 7,823.8 points. S&P 500 Index dropped 1.56% to 2,893.1 level.



News For The Day

Jomo: Subsidise public transportation, not fuel

Prominent economist Professor Dr Jomo Kwame Sundaram has urged the government to subsidise public transport instead of giving fuel subsidies as this would help the masses reliant on the former. He says that fuel subsidies benefit the middle class, not the low-income group. – *The Edge Financial Daily*

MSM sells land to F&N at 18% discount

MSM Malaysia Holdings Bhd is disposing of its 4,453.92ha land in Chuping, Perlis to Fraser & Neave Holdings Bhd (F&N) for RM156m, representing an 18% discount to its market value. – *SunBiz*

Main Market-bound AME's 1Q net profit surges 96%

Main Market-bound AME Elite Consortium Bhd's net profit for the first quarter ended June 30, 2019 surged 95.8% to RM13.14m from RM7.61m a year earlier, on the back of a jump in revenue to RM94.37m versus RM58.68m. – *The Edge Markets*

Axis REIT acquires industrial property in Nilai

Axis Real Estate Investment Trust is buying a property in the industrial area of Nilai from K-Plastics Industries Sdn Bhd for RM50m. – *The Edge Markets*

Khazanah unit to sell Andaz Singapore

M+S Pte Ltd, a 60:40 joint venture between Khazanah Nasional Bhd and Temasek Holdings Pte Ltd, is selling its wholly-owned subsidiary Ophir-Rochor Hotel Pte Ltd to property developer Hoi Hup Realty Pte Ltd for S\$475m or S\$1.39m per key. The proposed transaction marks the highest price ever achieved for a standalone hotel transaction in Singapore, and the third highest price achieved this year in Asia. – *The Edge Markets*

Bonia scraps plan to sell unit to CEO

Bonia Corp Bhd has scrapped plans to sell its wholly-owned subsidiary Maha Asia Capital Sdn Bhd to its founder, CEO and group executive director Chiang Sang Sem for RM2.49m, citing certain conditions precedent in the share sale agreement have not been fulfilled as a reason. – *The Edge Markets*



Our Thoughts

The global volatility storm continues to bombard the financial markets over the immediate term as we do not foresee any solution in sight. It is now all rather tense for US/China, the Middle east and Britain as we all are guided into a realm of uncertainty. Judging by the jittery sentiments we reckon it will require a lengthy path to recovery if there is any. For now, volatility will continue to orchestrate the trading pattern as we expect another day of downside bias for the local bourse. The FBM KLCI is seen to be rather well supported at the 1,550 level ahead of Budget 2020 amid constant foreign selling. Nonetheless, we would advocate investors to look at construction related counters as the market are generally expecting roll-out of certain mega projects. Within the small cap space, we like Vertice, Crest Builders, Vizione, Inta Bina and TRC.



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