



10 July 2019

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Previous Day Highlights

The FBM KLCI ended on a positive note yesterday, gaining 5.2 points or 0.31% to 1,682.87. Market breath was neutral with 401 gainers, 402 losers and 430 counters remained unchanged.

Asian markets closed mixed with the Shanghai Composite Index lost 0.18% and Hang Seng Index declined 0.76%. Japan's Nikkei 225 Index gained 0.14%.

U.S. stocks ended mixed as investors are waiting for more clarity on the Federal Reserve interest rate direction. The Dow dropped 22.7 points or 0.08% while the Nasdaq Composite Index rebounded 0.54% to 8,141.7 points and the S&P 500 Index gained 0.12%.



Our Thoughts

As advocated by us previously, foreign funds are certainly making a comeback to the local bourse. For June there was a net foreign inflow of RM140.2m and so far July's net foreign inflow was more encouraging at RM350.7m. Though YTD still shows a net foreign outflow of RM4.3bn, we remain confident that foreign funds will seek Malaysia as their preferred destination as the FBM KLCI is currently the worst performer amongst its ASEAN compatriots and is playing catch up. We maintain our 2019 target at 1,730 for the FBM KLCI for now.



News For The Day

Bank Negara's MPC retains OPR at 3%

Bank Negara Malaysia's Monetary Policy Committee decided to maintain the Overnight Policy Rate (OPR) at 3% as global economy continues to expand moderately. – *The Star Online*

JM to seek legal redress for loss of RM1.12bn LRT3

It will seek appropriate legal redress after being terminated as the works package contractor for the underground package of LRT3 project. The termination is due to the project being remodelled from a project delivery partnership model to a fixed price contract model in pursuant to the direction of the government. – *The Edge Financial Daily*

Govt sues Aeon Credit for unpaid taxes

Aeon Credit had received a writ of summons, with a statement of claim from the government to pay taxes due for the year of assessment 2010 to 2016. Its CFO said the matter is in relation to the RM96.8m in additional tax and penalties that the Inland Revenue Board demanded for the assessment period which was announced in 2017. – *The Edge Financial Daily*

Focus Point plans 1-for-3 bonus issue

It proposes a bonus issue of up to 55m shares on the basis of one bonus share for every three existing shares held. The bonus issue is expected to be completed by the fourth quarter of the year. – *The Sun Daily*

More woes for Barakah as Petronas suspends unit's licence

Debt-laden PN17 firm Barakah Offshore Petroleum said its unit's operating licence has been suspended by Petronas for three years beginning July 8 this year. The announcement came after it announced the planned entry of a white knight to revive its financial health. – *The Edge Financial Daily*



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