



10 October 2019

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Previous Day Highlights

The FBM KLCI continued to weigh down by selling pressure yesterday. The index dropped 7.56 points or 0.48% to 1,551.23. Value traded was low at RM1.68bn, with 1.90bn unit of shares traded.

Asian market remained cautious as the Hang Seng Index dropped 0.81% to 25,682.8 points. Nikkei 225 Index lost 0.61% while Shanghai Composite Index gained 0.39%.

US stock market recovered to close higher on expectation of trade deal with China with the Dow Jones Industrial Average Index rising 181.97 points to 26,346.01. Nasdaq Composite Index also closed 1.02% higher to 7,903.74 points. S&P 500 Index rose 0.91% to 2,919.40 level.



News For The Day

China open to small trade deal with US

China is still open to reaching a partial trade deal with the US, an official with direct knowledge of the talks said, signalling that Beijing is focused on limiting the damage to the world's second-largest economy. – *The Edge Financial Daily/ Bloomberg*

ExxonMobil weighing sale of offshore Malaysian assets

The potential transaction could raise about US\$2bn to US\$3bn. Exxon Mobil Corp is considering selling its offshore Malaysian upstream assets as part of the US energy giant's divestiture programme. – *The Edge Financial Daily*

IGEM 2019 targets RM2.8bn investments

The ministry of energy, science, technology, environment and climate change is targeting investments totalling RM2.8bn – the highest in the past decade – from the 10th edition of the International Greentech and Eco Products Exhibition and Conference Malaysia. – *The Edge Financial Daily*

Iskandar Malaysia realises 57% of total investments in 1H2019

Iskandar Malaysia, the southern economic corridor, has realised RM172.2bn or 57% of total investments to date as of the first half of 2019. Iskandar Malaysia has since its inception in 2006 until 1H2019 recorded cumulative committed investment of RM302.09bn – *SUN Biz*

Advancecon awarded Sarawak road contract

Advancecon Holdings Bhd's wholly owned subsidiary Advancecon Infra Sdn Bhd received a RM49.38m sub-contract for road infrastructure projects under Upper Rajang Development Agency for package 2, mainly for the road infrastructure projects – *SUN Biz*



Our Thoughts

There seems to be a temporary reprieve of sorts for the equity markets ahead of the US/China trade talk. Though such headline news seems positive, we have been through this path numerous times and would not bet that there to be any agreement in sight between the two superpowers. As such, we continue to remain cautious and eagerly wait for the tabling of Budget 2020 tomorrow. Therefore, we reckon the broader market to remain nonchalant with buying interests zeroing on construction related companies. We expect the FBM KLCI to test the 1,550 level and may even break this psychological level today.



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