



12 November 2019

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## Previous Day Highlights

The FBM KLCI started the week on a weaker note weighing down by selling in regional markets. The index closed 1.58% lower to 1,608.2 and hit an intra-day low of 1,602.0. Losers outnumbered gainers by 553 to 291 indicating negative sentiment on the broader market.

Hong Kong's Hang Seng Index was deep in negative territory, plunging 724.6 points to 26,929.6 yesterday, due to the worsening political environment. Shanghai Composite Index and Nikkei 225 Index were in line with the downtrend, posted losses of 1.83% and 0.26% respectively.

US stock markets mostly retreated with the S&P 500 Index and Nasdaq Composite Index declined 0.20% and 0.13% respectively. The Dow managed to stay on positive territory, edging up 0.04% to 27,691.5.

## Our Thoughts

We believe the local market may see a relief rebound today following yesterday's dismal performance spearheaded by Hong Kong which shed by more than 700 points as violence escalated to unprecedented levels. Meanwhile, we are still waiting for the US China Trade discussion outcome that seem to have gone a tad too quiet. The FBM KLCI may hit a road bump at 1,610 after which the 1,620 will act as the next resistance level. Rotational plays still rule the day as interests are now centred on palm oil related counters in line with the stronger CPO prices. The plantation index gained 6.2% over the past month and we have chosen the following which are deemed laggards within the sector namely Batu Kawan, KLK, IOI Corp, Hap Seng Plantation, TSH Resources and Genting Plantation.

## News For The Day

### Cycle & Carriage to be taken private

Mercedes-Benz distributor Cycle & Carriage Bintang Bhd, whose share has tumbled to a 10-year low, is joining the privatisation list on Bursa Malaysia which seems to be getting longer. Its controlling shareholder has proposed a selective capital repayment and reduction to the board at RM2.20 per share, compared with its last traded price of RM1.29 – the lowest level since April 2009. – *The Edge Financial Daily*

### Dialog Group Q1 earnings jump 43.6%

Dialog Group Bhd's net profit for the first quarter ended Sept 30, 2019 jumped 43.6% to RM164.64m from RM114.64m a year ago, contributed by strong performance of all activities within the Malaysian operations. – *Sunbiz*

### Pestech clinches smart meter deal from TNB

Pestech International Bhd has bagged a RM38.38m smart meter contract from Tenaga Nasional Bhd. The contract is for the supply and delivery of smart meter for smart billing project deployment phase 2 (Selangor, Kuala Lumpur, Putrajaya and Cyberjaya) for years 2019 and 2020. The contract is for a duration of two years. – *Sunbiz*

### Malaysia Smelting Q3 net profit more than doubles

Malaysia Smelting Corp Bhd posted a net profit of RM30.56m for the third quarter ended Sept 30, more than double the RM11.66m recorded in the previous corresponding quarter, due to higher profit in the tin-mining segment, offset by loss recorded in the tin-smelting segment. – *Sunbiz*

### Moody's cuts global sovereign rating outlook to 'negative' for 2020

Rating agency Moody's cut its global sovereign outlook for 2020 to 'negative' from 'stable' on Monday, saying disruptive and unpredictable world politics would slow growth and increase the risk of economic or financial shocks. – *Reuters*

### MAHB passenger traffic grows 9.2% to 11.7m in October

Malaysia Airports Holdings Bhd saw a 9.2% increase in passenger traffic in October 2019 — the highest growth recorded so far this year. – *The Edge Markets*



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