



13 December 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI was 4.15 points or 0.27% higher yesterday. The index closed at 1,567.3 points. Market breadth was neutral with 427 versus 428 losers. A total 2.49bn unit of shares were traded valued at RM2.11bn.

Asia equities ended on a mixed note as the Hang Seng Index gained 1.31% to 26,994.1 while Shanghai Composite Index was 0.30% lower to 2,915.7. Nikkei 225 Index was 0.14% higher.

U.S. stock markets rose higher on the optimism of the China trade deal. The Dow jumped 220.8 points to 28,132.1. S&P 500 also gained 0.86% to 3,168.6 and Nasdaq Composite Index advanced 0.73%.



News For The Day

Government maintains 4.8% GDP growth for 2020

The government will stick to its initial 4.8% gross domestic product growth target for 2020 despite the World Bank having revised its forecast to 4.5%. – *The Edge Financial Daily*

VS Industry's 1Q net profit up 21%

VS Industry Bhd's net profit for the first quarter ended Oct 31, 2019 rose 21% to RM48.07m or 2.62 sen per share versus RM39.81m or 2.32 sen a share in the year-ago quarter. The electronics manufacturing services provider attributed the jump in net profit mainly to much smaller losses incurred from its operations in China following streamlining and restructuring exercises. – *The Edge Markets*

Hibiscus Petroleum completes acquisition of two North Sea blocks

Hibiscus Petroleum Bhd has completed its acquisition of two North Sea blocks — one of which is the Crown discovery — in the UK. It completed the acquisition from the United Oil & Gas PLC and Swift Exploration Ltd for a cash consideration of up to US\$5m. – *The Edge Markets*

Pestech undertakes Philippines substation works

Pestech International Bhd's subsidiary Pestech Sdn Bhd has been awarded a contract worth a total sum of RM93.71m from the National Grid Corporation of the Philippines. The contract, which was awarded in relation to the Cebu-Bohol 230kV Interconnection Project, comprises of an offshore portion worth US\$13.89m (RM57.68m) and onshore portion valued at PHP439.9m (RM36.03m). – *The Star Online*

Pos Malaysia awaits official details on postal tariff hike from govt

Pos Malaysia Bhd has yet to obtain official details on the new postal tariff rates and the implementation date from the government although the postal service provider has received a letter confirming the approval for the tariff hike. – *The Edge Markets*



Our Thoughts

According to Trump, the US is “very close” to a deal with China thus averting full imposition of tariffs on Chinese goods due by this weekend. Assuming this is true, global markets for once may enjoy some degree of clarity. Meanwhile, the thumping win for the Conservatives in the just concluded UK election seems to have added more clarity from there as well. Locally, we expect buying momentum to persist with the FBM KLCI continuing with the uptrend. The benchmark index is expected to breach the 1,570 today with immediate resistance at the 1,575 level.



13 December 2019

 research@rakutentrade.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2110 7188 Website: www.rakutentrade.my

Kenny Yee Shen Pin
Head of Research