



13 November 2019

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Previous Day Highlights

The FBM KLCI ended up 1.6 points or 0.10% to 1,609.7 yesterday. The index was mainly lifted by SIMEPLT, AXIATA and PCHEM. Market breadth remained neutral with 416 gainers vs 398 losers.

Asian markets closed mostly positive as Hong Kong's Hang Seng Index recovered 0.52% to 27,065.3. Shanghai Composite Index was up 0.17% while Nikkei 225 Index jumped 0.81%.

US stock markets trended mostly higher overnight with the S&P 500 Index advanced 0.16% and Nasdaq Composite Index gained 0.26%. Dow Jones closed flat at 27,691.5.

Our Thoughts

Ongoing turmoil in Hong Kong coupled with the US China trade talk that had stagnated thus far would continue to afflict some volatility onto the equity markets. We reckon the local bourse to trade within a narrow range and envisage the FBM KLCI to trend between 1,605/10 over the immediate period. Over to the ongoing results for the 3Q and so far corporate Malaysia have done pretty well which should induce some upward revision to corporate earnings for 2019. Judging from the recent dip in Ringgit against the USD, foreign funds may be in our markets but without much conviction.

News For The Day

Higher margins lift Nestle's Q3 profit, 70 sen dividend declared

Nestle (Malaysia) Bhd posted a net profit of RM148.99m for the third quarter ended Sept 30, 8.2% higher than the RM137.69m posted in the previous corresponding quarter, thanks to higher margins. Revenue for the quarter, however, decreased 2.2% to RM1.4bn, from RM1.43bn. – *Sunbiz*

UEM Sunrise to see RM54.3m gain from disposal of Australian property

UEM Sunrise Bhd is disposing of a property in Melbourne for A\$107.09m (RM304.13m). The proposed divestment allows UEM Sunrise to immediately unlock the value of the property at a gain in line with market value, and free up the cash to enable the group to pursue other investments and venture opportunities. The disposal is expected to be completed by the end of the year and give rise to an estimated net gain on disposal of RM54.32m (A\$19.12m). – *The Edge Markets*

MUI Properties to take 40.7% stake in Australian gold explorer Nex Metals

MUI Properties Bhd's wholly owned subsidiary Cesuco Trading Ltd, will be taking up a 40.73% stake in ASX-listed gold exploration company Nex Metals Explorations Ltd, following the conversion of a A\$1.5m secured convertible note. – *Sunbiz*

Damansara Realty's Q3 profit doubles to RM3.85m

Damansara Realty Bhd's net profit for the third quarter ended Sept 30, 2019 doubled to RM3.85m from RM1.87m a year ago, helped by foreign currency translation differences for foreign operations. – *Sunbiz*

FAA downgrade has nothing to do with safety of Msia's aviation sector

The US Federal Aviation Administration's (FAA) downgrade of Malaysia's aviation safety rating has nothing to do with the 2014 twin tragedies of MH17 and MH370 or the recent technical glitch at KLIA. Civil Aviation Authority of Malaysia says the move was solely due to its 'deficiency and shortcomings'. – *The Edge Financial Daily*.



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