



13 September 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI dropped a marginal 0.08% to 1,601 after hitting a high of 1,608.4 yesterday. Volume traded was low with 1.89bn unit of shares amounting to RM1.74bn. Gainers outnumbered losers 429 versus 362.

Asian stock markets ended mostly higher as Trump delayed tariff on China. Shanghai Composite Index increased 0.75%, Hang Seng Index lost 0.26% and Nikkei advanced 0.75%.

The Dow Jones Industrial Average Index gained for 7th consecutive sessions after the fresh stimulus measures from European Central Bank. The index rose 0.17% to 27,182.45. Nasdaq Composite Index and S&P 500 Index gained 0.30% and 0.29% respectively.



News For The Day

BNM keeps OPR unchanged at 3%

Bank Negara Malaysia's monetary policy committee decided to maintain the overnight policy rate (OPR) at 3%. BNM said the stance of Malaysia's monetary policy, at the current level of the OPR, remains accommodative and supportive of economic activity. - *The Edge Market*

ECB cuts key rate, to restart bond purchases

The European Central Bank cuts its deposit rate to a record low -0.5% from -0.4% and will restart bond purchases of 20bn euros a month from November. - *Reuters*

Telco industry consolidation inevitable - Celcom

Despite Axiata Group Bhd and Telenor ASA calling off their proposed merger, Axiata's mobile arm Celcom Axiata Bhd says a consolidation of Malaysian mobile network operators will eventually take place to keep the telecommunications industry sustainable. - *The Edge Financial Daily*

Astro Q2 net profit surges 10 times to RM169.3m

Net profit for the second quarter ended July 31, 2019 jumped 10 times to RM169.34m from RM16.58m a year ago, underpinned by its cost-discipline measures. However, its revenue fell 12.7% to RM1.24bn from RM1.42bn, mainly due to a decrease in subscription revenue and licensing income. - *The Sun Daily*

Sunway JV unit wins Tianjin land tender

Sunway Bhd's 60%-owned joint venture company Tianjin Eco-City Sunway Property Development Co Ltd has won a tender to acquire a land in Tianjin, China, for 438m renminbi (RM257.78m). - *The Sun Daily*

Straits Inter Logistics' unit to buy oil tanker at RM20.45m

Straits Inter Logistics Bhd's unit has signed a memorandum of agreement to acquire a 13-year-old oil tanker named Poseidon for a total of US\$4.84m or RM20.45m cash from Hibiscus Fuels Ltd. - *The Edge Market*



Our Thoughts

Things may have turned positively amid easing of stance from the US and the QE by the European Central Bank. Nonetheless, until the situation becomes more concrete, we remain cautious on the financial markets as the US are masters of flip-flopping. Currently, we are witnessing a flight into equities as investors are continuing to ease their holdings in bonds. With the western world now clamouring for lower interest rates, foreign funds are also finding their way into Asia as depicted by the stronger Asian currencies. Locally, the MYR have strengthened to the 4.16 level from 4.22 against the USD earlier this month.



13 September 2019

 research@rakutenrade.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.rakutenrade.my

Kenny Yee Shen Pin
Head of Research