



15 August 2019

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Previous Day Highlights

The FBM KLCI closed higher yesterday, which is in line with regional stock markets. The index closed slightly above 1,600 level at 1,600.31, gaining 7.43 points or 0.47%. Market breath was positive with 450 gainers over 319 losers.

Asian markets rebounded following the announcement of tariff delay. The Shanghai Composite Index gained 0.42% and Nikkei 225 advanced 0.98%. Hang Seng Index closed marginally higher (+0.08%) to 25,302.28.

US stocks sank yesterday after inverted yield curve sparks recession fears where Dow Jones lost 3.05% to 25,479.42, Nasdaq fell 3.02% and S&P dropped 2.93%.



Our Thoughts

We are bracing ourselves for another possible regional sell-off following the steep decline over on Wall Street yesterday. Although it is still early days yet in determining recession, investors sentiments of late had been jittery and it does not take much to instigate a selling-down. As such we reckon, the selling may have been overdone yesterday. Nonetheless, with investors now becoming more risk averse, any rebound would be met by "profit taking" activities hence we believe the equity markets will remain volatile over the short term. On the domestic front, the FBM KLCI is seen to be supported at the 1,575 level.



News For The Day

Bursa revamps derivatives market rules, directives

Move is taken to enhance business efficiency and flexibility. The revamped rules which will come into effect on August will allow trading and clearing participants to reduce their cost of doing business and provide better services to their clients whilst strengthening their governance framework and providing better investor protection. - *The SunBiz*

GDP seen picking up in Q2, bucking regional trend

Malaysia's economic growth pace in the second quarter, helped by slightly stronger exports and manufacturing, a Reuters poll showed. The median forecast from the poll of 13 economists was for annual growth of 4.8% in April-June, faster than the first quarter's 4.5% pace. - *The SunBiz/Reuters*

Inflation to remain benign for the rest of 2019

As the Consumer Price Index (CPI) edged slightly lower in July, economists expect inflation to stay benign for the rest of the year. The Statistics Department announced yesterday that CPI, a main gauge of inflation, grew 1.4% year-on-year in July, compared with 1.5% in June. - *The Edge Financial Daily*

MISC 2Q profit up 24.5%, declares 7 sen dividend

MISC Bhd net profit for the second quarter ended 30 June 2019 (2QFY19) rose 24.5% to RM399.8m from RM321.2m a year earlier, on the back of higher revenue. In a filing with the stock exchange yesterday, MISC said its 2QFY19 revenue rose 0.9% to RM2.16bn from RM2.14bn previously, mainly from higher number of operating vessels. - *The Edge Financial Daily*

SP Setia cuts 2019 sales target by a fifth

With less than five months remaining for 2019, SP Setia Bhd has revised downwards its sales target for the year to RM4.55bn from RM5.65bn as the property slump has yet to show significant easing. At the same time, the property developer has earmarked non-strategic land bank in second tier cities such as Batu Pahat and Muar to focus on bigger cities - *The Edge Financial Daily*



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