



15 October 2019

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Previous Day Highlights

The FBM KLCI advanced 10.8 points or 0.69% to 1,567.59 yesterday. Market sentiment was lifted by Budget 2020 and positive US-China trade deal. Gainers outnumbered losers by 487 to 367. Volume traded was 3.0bn unit of shares valued at RM1.84bn.

Asian market trended higher as the Shanghai Composite Index rose 1.15% to 3,007.9. Japan's Nikkei 225 gained 246.9 points to 21,798.9 while Hang Seng Index climbed 0.81%.

Overnight, US stocks finished lower with the Dow Jones Industrial Average dropped 0.11% to 26,787.4. Nasdaq and S&P 500 declined 0.10% and 0.14% respectively.



News For The Day

Putrajaya to tender out three Pan Borneo Sabah packages

The government will be opening up three work packages worth RM925m for the Sabah portion of the Pan Borneo Highway in the first quarter of 2020. The project was 21.3% completed, behind the 44.4% scheduled progress. – *The Edge Financial Daily*

Malaysia's 2020 fiscal deficit of 3.2% in line with expectation — S&P

Malaysia's fiscal deficit projection of 3.2 per cent of gross domestic product (GDP) for 2020 is broadly in line with expectations, given the difficult external environment and various constraints against boosting revenues, S&P Global Ratings said. – *Bernamea/The Edge Markets*

Axis REIT to buy property in Johor

Axis Real Estate Investment Trust plans to buy a single-storey warehouse-cum-office building in Johor for RM65m from Rancak Beta Sdn Bhd. – *The Edge Financial Daily*

Ni Hsin to expand into marine, O&G sectors

Ni Hsin Resources Bhd will invest a total of RM10m in Satamarin Sdn Bhd in a bid to expand into the marine, oil and gas sector. It has agreed to acquire 490,000 shares or 49% stake in the oil and gas marine services provider for RM735,000 cash and will further invest RM9.27m in the company over a period of five years. – *The Star Online*

Enra unit buys oil tanker for RM39m cash

Enra Group Bhd said its unit is acquiring a 15-year-old oil and chemical tanker for US\$9.3m or RM38.87m cash. Its subsidiary Enra SPM Labuan Ltd signed a memorandum of agreement with Copenhagen-based Maersk Product Tankers A/S, for the purchase of the tanker known as Maersk Edgar. – *The Edge Markets*

G3 says yet to receive decision from TPM on bid

G3 Global Bhd said it has submitted a tender offer to Technology Park Malaysia (TPM) for the development of a piece of land there but has yet to receive any official decision on the matters. – *The Edge Financial Daily*



Our Thoughts

Investing climate remains jittery as sentiments are now dictated by expectations of the US/China trade discussion outcome. With the situation still fluid, we believe regional markets to remain stuck in a realm of extreme volatility. Meanwhile amid the geopolitical tension, tanker rates have had surged to a multi-year high with demand vastly outstrip supply for very large tankers. Whether such a scenario would persist remains to be seen but we reckon MISC should be entering a boom year. As for the FBM KLCI, we anticipate some selling to emerge today with the 1,560 as the psychological support level.



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