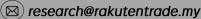


# Dail<u>y Market Re</u>port



16 August 2019









### **Previous Day Highlights**

The FBM KLCI managed to close flat at 1,600.29 (-0.02 point) yesterday. The index hit an intra-day low of 1,581.26 at early trading session amid the recession fears on the inverted yield curve. Market breadth was negative with 616 decliners and 229 gainers.

Regional markets closed mixed as China and Hong Kong stock markets recovered despite the heightened uncertainties. The Shanghai Composite Index gained 0.25% while Hang Seng Index advanced 0.76%. Nikkei 225 Index closed 1.21% lower.

US stocks ended on mixed note with the Dow rose 0.39%, S&P 500 Index gained 0.25% but Nasdag inched down 0.09%.



## **Our Thoughts**

We reckon the financial markets will continue to remain volatile over the next few weeks. Meanwhile we reiterate that a recession is not going to happen anytime soon, but we may see a slowdown. As Wall Street is still trending at a premium, it is not surprising that funds are liquidating their holdings in view of a potential slowdown. The Dow Jones Industrial Average PER now hovering at 16.7x (FY19), above its 10-year average of 15.7x plus a potential downgrade on FY20 earnings. Therefore, we may see a continued flight to safety out of equities to other asset class like bonds and gold. Yesterday gold price hit a 6-year high at US\$1,530. We just need to ride out the prevailing uncertainty and continue to advocate Buy on Weakness.



### **News For The Day**

#### Genting Malaysia defends Empire stake buy

Genting Malaysia Bhd says its RM538m related party transaction in Empire Resorts Inc is deemed a "worthwhile investment". The group said Empire's casino resort, Resorts World Catskills, located in Sullivan County, near New York City, is one of the newest and highest quality gaming assets in northeast US, with more than US\$900m invested. - The Edge

#### SERBDK founder acquires more shares in SCIB

Serba Dinamik Holdings Bhd (SEBDK) billionaire and founder Datuk Mohd Abdul Karim Abdullah has acquired additional 20.31% stake in Sarawak Consolidated Industries Bhd (SCIB) for RM19.19m. He now owns a total 42.84% equity holdings in SCIB and has triggered a conditional mandatory take-over offer for him to acquire all the remaining shares. – NST

#### IOI Corp's 4Q profit up 30%

IOI Corp Bhd's net profit for the fourth quarter ended June 30, 2019 (4QFY19) rose by 30% year-on-year to RM46.6m from RM35.8m, despite a slight dip in revenue, with earnings mainly lifted by lower net foreign currency translation losses on its borrowings and deposits. -The Edae

#### DRealty posts threefold jump in 1H earnings

Damansara Realty Bhd's net earnings for the second quarter ended June 30, 2019, came in at RM3.66m, which was a significant improvement from a net loss of RM330,000 in the same quarter last year. - The Star

#### **Dialog's earnings outperformed**

Tank terminal operator Dialog Group Bhd delivered a better than expected results in the last quarter that lifted its full year earnings to a new high of RM535.8m. It has proposed a final dividend of 2.3 sen a share that boosted its full year payout to 3.8 sen a share. - The Star

#### Carlsberg posts higher net profit, revenue in Q2 FY19

It posted higher net profit and revenue in the second quarter ended June 30, 2019 driven by higher sales across all major product segments fuelled by continuous marketing investments on consumer-facing activities. -The Star



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