



16 October 2019

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Previous Day Highlights

The FBM KLCI failed to sustain its buying momentum with profit taking activities and closed 1.36 points or 0.09% lower to 1,566.23 yesterday. Market breadth was slightly positive with 410 gainers versus 391 losers.

Asian stock market ended mixed yesterday as the Shanghai Composite Index dropped 1.56%, Hang Seng Index declined 0.07% while Nikkei 225 gained 1.87%.

Dow Jones Industrial Average Index closed at its 3-week high, ended 237.4 points higher to 27,024.8. Nasdaq and S&P 500 also finished higher with 1.24 gain and 1.00% gain respectively.

Our Thoughts

With Budget 2020 done and dusted, we would expect the construction sector to see more activities moving forward. Already we saw Advancecon, Crest Builder, Econpile and Pintaras have had added new contracts into their orderbook of late. Activities are also anticipated to heighten in Sabah and Sarawak along the Pan Borneo Expressway after a relatively subdued performance since its inception in 2017. Most importantly, Consortium Zenith had also inked the RM6.3bn infrastructure project in Penang which is anticipated to commence on 31st October and we foresee companies namely Vertice and Vizione to play a large part in it. For this, we reckon it is time to re-look at the smallish construction players to ride on another construction play soon.

News For The Day

Crest Builder bags Kelana Jaya project

Crest Builder Holdings Bhd has accepted a RM155.1m project for the construction of a proposed plaza @ Kelana Jaya mixed commercial development from Glomac Bhd. – *Sunbiz*

Advancecon bags RM50.5m worth of jobs

Advancecon Holdings Bhd has secured two jobs worth RM50.5m comprising a RM38.7m contract for Upper Rajang Development Agency in Sarawak and a RM11.8m works contract for Sime Darby in Negeri Sembilan. – *Sunbiz*

GD Express spreads wings to Vietnam

GD Express Carrier Bhd is acquiring a 50% stake in Vietnam's Noi Bai Express and Trading Joint Stock Company (Netco) for RM13.85m. Netco is principally involved in provision of courier and logistics services in Vietnam. – *Sunbiz*

LPI 3Q net profit down 4%

LPI Capital Bhd's net profit fell 4.35% year-on-year to RM87.82m in the third quarter ended Sept 30, 2019 from RM91.81m, mainly due to higher claims incurred and lower interest income received. – *The Edge Markets*

Trade woes push IMF global growth outlook to a decade low of 3%

The International Monetary Fund made a fifth-straight cut to its 2019 global growth forecast, citing a broad deceleration across the world's largest economies as trade tensions undermine the expansion. The world economy will grow 3% this year, down from 3.2% seen in July, with the 2020 estimate lowered to 3.4% from 3.5%. – *The Edge Financial Daily*

MIE owns 72.7% in Seremban Engineering at close of MGO

Seremban Engineering Bhd's new controlling shareholder MIE Industrial Sdn Bhd has raised its stake in the company to 72.67% or 57.9m shares, from 69.72%, after the close of mandatory general offer (MGO). – *The Edge Financial Daily*



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