



17 May 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI closed below 1,600 level yesterday as the index dipped 12.24 points or 0.76% to 1,599.19. The index was mainly dragged by Public Bank and Tenaga.

Regional equities ended on a mixed note with the Shanghai Composite Index extended its gains closing 0.58% higher as Beijing is expected to roll out more stimulus to shore up the world's second largest economy amid external uncertainties. Meanwhile, Hang Seng Index gained a marginal 0.02% but Nikkei 225 Index dropped 0.59%.

U.S. stock markets climbed higher led by stronger-than-expected earnings from blue chips, Cisco Systems and Walmart while investors also retained a sense of calm towards the trade tension. The Dow rose 0.84%, S&P 500 Index gained 0.89% and Nasdaq Composite Index advanced 0.97%.

Our Thoughts

Crude oil price strengthened to USD72.80/barrel as tension in the Middle East escalates. Crude oil price have had gained by more than 35% year to date from USD53.80/barrel as at beginning of the year. If prevailing price is sustainable, we reckon more crude oil related jobs could be in the offing hence should boost the O&G players. Companies like Dialog, Hibiscus, Dayang, Uzma, Serba Dinamik and Straits Inter Logistics are some of our favourites.

News For The Day

Malaysia's Q1 GDP growth moderates to 4.5% from previous quarter

While Malaysia's economic growth moderated to 4.5% in the first quarter (Q1) of 2019 from 4.7% in the fourth quarter of 2018, Bank Negara Malaysia is maintaining its baseline projection of 4.3%-4.8% growth for the year amid escalating tensions in global trade. Governor Datuk Nor Shamsiah Mohd Yunus said the projection has taken into account the US-China trade war, including the latest tariff increase. – *The Sun Daily*

PetChem buys Dutch firm Da Vinci for RM760.8m in specialty chemicals foray

Petronas Chemicals Group Bhd (PetChem) is buying Netherlands-incorporated Da Vinci Group BV from its shareholders, who include, among others, funds managed by Bencis Capital Partner, for €163m (about RM760.8m), to venture into the specialty chemicals business. – *The Edge Markets*

Censoft unit acquires 51% stake in enterprise software provider

Censoft Holdings Bhd's unit Century Software (M) Sdn Bhd is acquiring a 51% stake in a Singapore-registered enterprise software application and services provider. Censoft said the purchase of a majority stake in Netsense Business Solutions Pte Ltd for RM1.3m was to aid in expansion plans, especially in the cloud ERP business. – *The Star Online*

SunCon secures 67% of order book

Within the first three months of the year, Sunway Construction Group Bhd (SunCon) has secured 67% of its targeted order book replenishment of RM1.5bn for financial year 2019. This, it said, has lifted its outstanding order book to RM5.7bn, providing good earnings visibility for the group over the next two years. - *The Star Online*

S P Setia expects delayed completion for Battersea power station phase 2 and 3

Property developer S P Setia Bhd is expecting a delay of around one year in phase 2 and phase 3 of the Battersea Power Station project. Phase 2 and phase 3 of the Battersea Power Station project are now targeted to be completed and open to the public by 2021. – *The Edge Markets*



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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