



17 September 2019

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Previous Day Highlights

The FBM KLC ended flat last Friday. The index rose a marginal 0.25 point to 1,601.25. Market turnover was slightly better with 2.1bn unit of shares traded valued at RM1.5bn.

Regional markets were mostly flat with the Shanghai Composite Index closed 0.02% lower to 3,030.8. Hang Seng Index dropped slightly to 27,124.5 while Nikkei 225 Index gained 1.05%.

The Dow Jones Industrial Average Index declined after rising for eight consecutive sessions. The index declined 142.7 points to 27,076.8. S&P and Nasdaq were also in a downtrend, declining 0.28% and 0.31% respectively.



Our Thoughts

Wall Street remains volatile exacerbated by the attack on Saudi Arabia's Aramco facilities. We reckon there may be some positive knee jerk reactions on O&G related stocks but cautioned that this may only be temporary as the US will release some of its inventory into the market until Saudi's production resumes to normal level which is estimated to take several months. Locally, we expect the FBM KLIC to re-test the 1,610 mark as we noticed that foreign funds had been trickling in of late. Last week saw an encouraging RM495m of net foreign inflow.



News For The Day

Oil prices trading 10% higher after soaring 20% in biggest surge since 1991

Oil prices surged nearly 20% at one point yesterday, with Brent crude posting its biggest intraday gain since the Gulf War in 1991, after an attack on Saudi Arabian oil facilities at the weekend halved the kingdom's production. Brent crude futures, rose as much as 19.5% to US\$71.95 while US West Texas Intermediate futures climbed as much as 15.5% to US\$63.34. - Reuters

Ringgit most resilient among EM currencies as oil prices spike

The ringgit will be the most resilient among emerging market currencies amid higher crude oil prices because Malaysia is the only net oil exporter among Asian emerging economies, according to DBS Bank Ltd. - The Edge Markets

Taliworks to start Sungai Selangor water treatment plant ops

The company has received the Individual License pursuant to Section 9 of the Water Services Industry Act 2006 from the Minister of Water, Land and Natural Resources. The agreement entered on matters relating to the operations and maintenance of the Sungai Selangor Water Treatment Plant Works Phase 1 have become unconditional and been completed. - The Sun Daily

PetChem makes entry into specialty chemicals

It has completed the acquisition of Dutch firm Da Vinci Group BV, marking PetChem's maiden entry into specialty chemicals. With the completion of the acquisition, Da Vinci is now a wholly-owned subsidiary of PetChem. Da Vinci is involved in own-brand reselling, formulating and manufacturing of silicones, lube oil additives and chemicals. - The Edge Markets

Boustead Holdings to exit petrol station business

Boustead is in talks to sell its stake in Boustead Petroleum Marketing Sdn Bhd, which operates petrol stations under the BHPetrol banner. It is understood that talks with at least one individual buyer are ongoing, with several other parties interested in the assets or waiting on the sidelines. - The Edge Markets



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