



19 August 2019

research@rakutentrade.my

Previous Day Highlights

The FBM KLCI closed 1.07 points or 0.07% lower to 1,599.22 last Friday. Market breadth was slightly positive with 390 gainers over 325 losers. Volume traded was low with 1.79bn unit valued at RM1.44bn.

Regional markets closed higher following the heavy sold down from previous trading sessions. Hang Seng Index recovered 0.94%, Shanghai Composite Index gained 0.29% and Nikkei 225 Index rose 0.06%.

US markets ended the week higher as Dow Jones Industrial Average Index rose 1.2% to 25,886. The S&P 500 Index gained 1.44% and Nasdaq advanced 1.67%.



Our Thoughts

President Trump remains the biggest culprit for the global financial markets with his rhetoric on China and the Federal Reserves. His meddling has had triggered the jittery button of most investors as volatility continue to reign. Locally we believe the investment climate is excellent for foreign funds to return but may be hampered by Trump's fear mongering tactics. The FBM KLCI is currently trading at really reasonable PER of 15.3x based on 2019 estimates and at an even more attractive 14.5x premised on 2020 forecasts against its multi-year average of around 16.5x. Meanwhile, steps taken by Germany to spur ECB's growth may provide some relief to the financial markets thus we may see some buying activities today with the immediate resistance at 1,620.



News For The Day

2Q GDP highest in five quarters, surprises market

Malaysia's Gross Domestic Product (GDP), which expanded by 4.9 percent year-on-year for the second quarter of 2019, is seen as a surprise to the market, as it not only beat most analysts' expectations but was also the highest growth in five quarters. - *The Edge*

Malaysia Airlines gets another RM300m shot

Khazanah Nasional Bhd has pumped another RM300m into the country's flag carrier Malaysia Airlines Bhd, via its holding company Malaysia Aviation Group Bhd, taking the total amount of capital injected so far this year to RM800m. - *The Edge*

Pintaras Jaya gets additional piling project

Its unit has secured a piling contract in Singapore worth RM91m (S\$30m). The group had earlier announced on July 31 that it had secured nine piling contracts collectively worth RM156m since April. This brings the total cumulative contracts newly secured to 10, collectively worth RM247m. - *The Edge*

Guocoland posts fifth quarterly loss in a row

It closed its fourth quarter ended June 30, 2019 with a lower net loss of RM11.69m compared to RM35.73m a year ago, as higher operating profit and other income offset higher expenses in the period. - *The Edge*

No dividend from Can-one

Can-one Bhd, which will book a gain from the sale of its sweetened creamer and evaporated creamer manufacturing unit will not be paying dividend to shareholders after the disposal. The group mentioned the priority now should be on paring down its debts and optimising its resources to accelerate growth of its general packaging business. - *The Edge*

Dialog raises stake in technical services contractor

It has raised its stake in Halliburton Bayan Petroleum Sdn Bhd (HBP), an independent technical services contractor. It had entered into a share purchase agreement with Asia Energy Services Sdn Bhd to acquire an additional 25% equity interest in HBP for US\$8.22m (RM34.5m). The purchase increased Dialog's stake in HBP to 75%. - *The Star*



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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