



19 July 2019

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Previous Day Highlights

The FBM KLCI extended its loss to close at 1,648.93 (-8.6 points, -0.52%) yesterday, mainly dragged by PCHEM and TENAGA. Market breath was negative with 575 losers versus 270 gainers.

Regional markets were weak with the Shanghai Composite Index fell 1.04%, Hang Seng Index dropped 0.46% and Nikkei 225 Index lost 1.97%.

US stock markets ended higher with the Dow closed marginally higher (0.01%) to 27,222.97. Meanwhile, the S&P gained 0.36% to 2,995.11 and Nasdaq rose 0.27%.

Our Thoughts

The news on international credit rating agency Fitch has affirmed Malaysia's A-rating, with stable outlook shows our economic fundamentals remains intact and positive and the recent weakness in our local market in our view is a healthy pullback where KLCI has retraced from high of 1,694.55 to current level and we continue to advocate buy on weakness strategy as we expect a better 2H2019.



News For The Day

Fitch affirms Malaysia's A-rating

International credit rating agency Fitch Ratings has affirmed Malaysia's long-term foreign currency issuer default rating (IDR) at "A-", with a stable outlook, but cautioned that the country's weak fiscal position weighs on the credit profile. The key rating drivers were Malaysia's strong and broad-based medium-term growth with a diversified export base. – *The Edge*

Foreign interest in Malaysian bonds picks up in June

Prospects of looser US Federal Reserve policy drew foreign bond investors back to Malaysia in June after two consecutive months of net selling. Foreign bond investors' interest in Malaysian bonds perked up in June with a net inflow of RM6.6bn. – *The Star*

Revenue partners Hong Leong on NETS payments

It is collaborating with Hong Leong Bank Bhd to offer payment acceptance and services to Singapore's NETS cardholders to shop in retail outlets under GCH Retail (Malaysia) Sdn Bhd and Guardian Health And Beauty Sdn Bhd. – *The Sun Daily*

Sapura Energy expects to be profitable in 12 months

It expects its operations -- drilling, engineering and construction and exploration and production to be profitable in 12 months. President and group chief executive officer Tan Sri Shahril Shamsuddin said the company aims to return to the black when the utilisation of its drilling and E&C business crosses the 70 per cent mark. – *The Star*

KNM bags RM17.48m job in Vietnam

KNM Group Bhd has bagged a US\$4.25m (RM17.48m) contract to supply shop-assembled large drums for the Petrochemical Complex in southern Vietnam. This is the second contract it announced this month, following an air cooler heat exchanger contract worth €7.754m (about RM36.14m) it announced on July 4. – *The Edge Market*



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