



19 November 2019

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Previous Day Highlights

The FBM KLCI rebounded and climbed above the 1,600 level yesterday. The index gained 9.3 points to 1,604.4 mainly led by IHH. Volume traded was lower with 2.34bn shares valued at RM1.42bn.

Asian stock markets trended higher yesterday. Hong Kong's Hang Seng Index gained 354.4 points to 26,681.1. Shanghai Composite Index was up 0.62% while Nikkei 225 Index was lifted by 0.49%.

U.S. stock markets continued with its uptrend overnight amid the optimism on a trade deal. Dow Jones closed at 28,036.2, S&P 500 finished at 3,122.0 while Nasdaq climbed 0.11%.



News For The Day

Guan Chong says FY19 likely to see record profit

Cocoa processing company Guan Chong Bhd is likely set for a "bumper year" with record profit performance for its financial year 2019, after its 3Q net profit jumped 38% year-on-year. Its net profit for the three months ended Sept 30, 2019 rose to RM60.53m from RM43.87m, while revenue expanded 24% to RM744.61m from RM598.78m. – *The Edge Markets*

Higher gold prices lift Tomei's 3Q earnings

Higher gold prices lifted Tomei Consolidated Bhd's earnings for the third quarter ended Sept 30, 2019, as it reported a net profit of RM2.08m, as opposed to a net loss of RM2.41m a year ago. This is despite revenue falling 19% to RM118.72m from RM146.08m. – *The Edge Markets*

Berjaya Assets back in the black with RM2.4m net profit in Q1

Berjaya Assets Bhd returned to profitability with a net profit of RM2.4m for its first quarter ended Sept 30, 2019 against a net loss of RM300,000 in the corresponding quarter of the previous year, attributed to lower operating expenses incurred by its property development & property investment business and hotel & recreation business segment. – *Sunbiz*

DNeX 3Q net profit soars 42%

Dagang Nexchange Bhd's net profit grew 42.6% to RM9.48m in the third quarter ended Sept 30, 2019, from RM6.65m in the previous corresponding quarter, thanks to lower income tax. – *The Edge Markets*

Mega First 3Q net profit down 62% weighed by power, property segments

Mega First Corp Bhd's net profit fell 61.68% to RM14.62m for the third quarter ended Sept 30, 2019, from RM38.16m a year earlier, no thanks to lower earnings in its power and property segments. – *The Edge Markets*

Pharmaniaga confirms securing extension of service from MoH

Pharmaniaga Bhd confirms that it has secured a five-year extension for the provision of logistics and distribution services to the Ministry of Health, to end on Dec 31, 2024. – *The Edge Markets*



Our Thoughts

In tandem with regional uptrend, the FBM KLCI breached the dreaded 1,600 mark again amid some window dressing activities. We believe the benchmark index to trend at higher grounds today with the 1,610 as the immediate resistance level. With liquidity pouring into the blue chips, we reckon the small cap space should also benefit and continue with its upward momentum. Amongst others, our current favourite small caps are Kelington, RCE Cap, Vertice, LYC Healthcare and Bahvest.



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