



02 August 2019

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## Previous Day Highlights

The FBM KLCI rebounded following previous sell down gaining 4.2 points or 0.26% yesterday to 1,639.07 points. Volume traded increased to 2.45bn unit shares valued at RM2.02bn.

Asian stock market ended on mixed note with the Nikkei 225 Index inched up 0.09% but Shanghai Composite Index and Hang Seng Index dropped 0.81% and 0.76% respectively.

US markets fell sharply on Thursday after President Trump announced to start imposing 10% tariffs on the remaining \$300bn of Chinese goods. The Dow tumbled 1.1%, S&P 500 Index declined 0.9% and Nasdaq Composite Index lost 0.79%.



## Our Thoughts

It need not require a genius to see that equity markets are set to see some selling today following our favourite president Trump imposing additional tariffs on Chinese goods. Whilst the move will see higher prices for US consumers, overall impact on global economy is expected to see a setback. Although the local bourse is anticipated to see support at 1,630 level, we continue to advocate investors to BUY on dips especially for index linked stocks. On our radar would be banking stocks which were sold down over the last few days in particular Maybank, Public Bank, CIMB and RHB Bank.



## News For The Day

### Trump vows new tariffs on China

President Donald Trump said on Thursday he would impose a 10% tariff on the remaining \$300bn of Chinese imports starting Sept. 1, after negotiators failed to make progress in U.S.-China trade talks, sending shockwaves through U.S. markets. Trump later told that he could further ratchet up the tariff rate - even beyond 25% - depending on progress in talks with Chinese President Xi Jinping. - *Reuters*

### Datasonic eyes new immigration job

Datasonic Group Bhd has expressed an interest in taking part in the government's open tender for a new Integrated Immigration System. Managing director Datuk Abu Hanifah Noordin said it has experienced every facet of the tender and the group's track record of supplying better quality Mykads and passports would help it secure more new projects. - *The Edge*

### A better 2H expected for Bursa Malaysia - CEO

Bursa Malaysia Bhd, posting a 23.6% decline in first half net profit to RM93.2m, expects a better 2H, as the country's fundamentals remain strong - a major catalyst to attract foreign fund inflows, said its CEO Datuk Muhammad Umar Swift. He added Malaysia has a wonderful story with foreign funds flowing in again and new projects are coming in. It is time for investors to consider coming back into the stock market. - *The Edge*

### Magni-Tech proposes share split and bonus issue

It has proposed to undertake a two-for-one share split to improve trading liquidity and a one-for-three bonus issue to reward existing shareholders. The share split would involve the subdivision of every one existing ordinary share into two ordinary shares. The bonus issue, on the other hand, would entail the issuance of one bonus share for every three subdivided shares. - *The Edge*

### Oil falls most in 4 years

Oil prices plummeted more than 7% on Thursday, with the U.S. benchmark posting its worst day in more than four years, after President Donald Trump said he would impose additional tariffs Chinese imports starting Sept. 1. The drop in Brent crude was the steepest in more than three years, undoing a fragile oil rally built on steady drawdowns in U.S. inventories even as global demand looked shaky due to the U.S.-China trade dispute. - *Reuters*



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