



20 December 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI finished 1.15 points lower to 1,598.0 yesterday. The index hit an intra-day low of 1,585.8 before rebounding to a high of 1,603.6. Market breadth was negative with 574 losers versus 293 gainers.

Asia equities markets ended mostly lower yesterday. Hong Kong's Hang Seng Index lost 83.7 points to 27,800.5 and Nikkei 225 Index was 0.29% lower. Shanghai Composite Index was flat at 3,017.1.

US stock markets rebounded overnight as the Dow Jones Industrial Average Index gained 137.7 points to 28,377.0. S&P 500 Index was 0.45% higher and Nasdaq Composite Index rose 0.67%.



News For The Day

Guan Chong expands in Europe with purchase of German chocolate maker

Guan Chong Bhd's sub-subsidiary GCB Cocoa Singapore Pte Ltd has entered into an agreement with the Netherlands' Schokinag Holding BV to acquire the Dutch company's entire stake in Germany-based Schokinag Holding GmbH (SHG) for €29.93m (RM137.84m). – *Sunbiz*

E&O to raise RM1.5bn from sukuk issuance

Eastern & Oriental Bhd through its subsidiary, Tanjung Pinang Development Sdn Bhd, is establishing an Islamic medium term note programme (sukuk murabahah) of up to RM1.5bn. – *Sunbiz*

Aeon Credit's 3Q net profit down 20%

Aeon Credit Service (M) Bhd's net profit for the third quarter ended Nov 30, 2019 fell 20% to RM69.93m from RM87.14m in the corresponding quarter last year, despite more revenue as it incurred higher operating and funding costs. – *The Edge Markets*

Integrated Logistics to gain RM44.8m from stake sale

Loss-making Integrated Logistics Bhd's indirectly owned China-based joint venture company, in which it has an effective 45.5% stake, will be disposed of for RMB 436m (equivalent to RM258.3m), from which it is expected to see an estimated gain of RM44.8m. – *The Edge Markets*

Valuecap to exit asset management biz

Valuecap Sdn Bhd is seeking to exit the third-party asset management business. It is in the process of exploring various strategic options with regard to its two wholly-owned licensed asset management subsidiaries, VCAP Asset Managers Sdn Bhd and i-VCAP Management Sdn Bhd including divesting or winding up the companies. – *Sunbiz*

MyNews 4Q profit halved

As its new food processing centre is still undergoing a gestational period, MyNews Holdings Bhd posted a profit of RM3.18m or 0.47 sen a share in the fourth quarter ended Oct 31 — nearly half the RM6.06m or 0.89 sen per share posted in the corresponding period last year. – *The Edge Markets*



Our Thoughts

Renewed optimism over a US China trade deal soon has propped Wall Street higher and we expect this positive sentiment to reverberate across Asia. As such, we believe regional market to trend higher today. Following a minor hiccup on Bursa yesterday we reckon the local bourse to continue with its uptrend amid traces of window dressing activities. The FBM KLCI is seen to possibly break the 1,600 mark today enroute to the 1,610 level.



20 December 2019

 research@rakutentrade.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2110 7188 Website: www.rakutentrade.my

Kenny Yee Shen Pin
Head of Research