



20 November 2019

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## Previous Day Highlights

The FBM KLCI managed to stay in positive territory following some profit takings during the early session yesterday. The index inched up 0.06% to 1,605.3 after hitting an intra-day low of 1,595.2. Market breadth was neutral with 411 losers, 408 gainers and 417 unchanged.

Hang Seng Index surged 412.7 points or 1.55% to break above 27,000 level yesterday. The index closed at 27,093.8. Shanghai Composite Index was up 0.85% while Nikkei 225 Index declined 0.53%.

U.S. stock markets ended on mixed note as Dow Jones and S&P 500 retreated from record high levels. The Dow was down 0.36%, S&P edged down 0.06% while Nasdaq was 0.24% higher.



## News For The Day

### **Kuala Lumpur Kepong net profit rises 36.7% in Q3**

Kuala Lumpur Kepong Bhd saw a 36.7% increase in net profit for its fourth quarter ended Sept 30, to RM175.02m from RM127.99m in the previous corresponding quarter, thanks to higher contribution from the manufacturing segment. – *Sunbiz*

### **Magnum back in the black in third quarter**

Magnum Bhd returned to the black registering a net profit of RM48.01m for the third quarter ended Sept 30, 2019 against a net loss of RM70.51m previously, mainly due to the absence of the tax penalty amounting to RM44.2m incurred in the previous corresponding period. – *Sunbiz*

### **SunCon 3Q net profit slides on lower construction contribution**

Sunway Construction Group Bhd's net profit slid 8% to RM33.48m in the third quarter ended Sept 30, 2019, from RM36.39m, no thanks to lower revenue from its construction segment. Earnings per share, accordingly, fell to 2.6 sen from 2.82 sen. Revenue fell 28% to RM402.58m from RM557.32m, as a majority of SunCon's existing projects are just at their initial stage. – *The Edge Markets*

### **Batu Kawan 4Q net profit up 25%**

Batu Kawan Bhd, which counts Kuala Lumpur Kepong Bhd as a main subsidiary, saw its net profit for the fourth quarter ended Sept 30, 2019 rise 25% to RM96.70m from RM77.25m a year ago, lifted by its manufacturing segment, higher other operating income, better share of results from associates, and lower income tax expenses. – *The Edge Markets*

### **DNeX bags RM43m contract**

Dagang NeXChange Bhd's 60%-owned Innovation Associates Consulting Sdn Bhd (IAC) has secured a three-year contract worth RM42.75m to re-engineer the Inland Revenue Board's tax self-assessment system. Under the contract, IAC will be responsible for software and support services for the development of the application, as well as software maintenance. – *The Edge Markets*

## Our Thoughts

As expected, the uptrend on Wall Street finally relented as investors came to their senses. Valuation on US equities seems to have outpaced their fundamentals following recent record high showings hence funds may have shifted to bonds as depicted by the US 10-year yield which had dipped to below the 1.8% level. Locally, the FBM KLCI displayed a rather strong momentum yesterday as the index overcame initial selling to close above the 1,600 level. We believe buying to continue thus anticipating the benchmark index to re-test the 1,610 today.



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