



21 May 2019

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Previous Day Highlights

The FBM KLCI rebounded 6.17 points or 0.39% to 1,605.36 points last Friday. However, the volume and value traded on Bursa Malaysia were low with 1.91bn unit of shares valued at RM1.46bn.

Regional markets closed mixed yesterday amid the increasing trade tensions between U.S. and China. The Shanghai Composite Index fell 0.41%, Hang Seng Index closed 0.57% lower while Japan's Nikkei 225 gained 0.24%.

U.S. stock markets dropped sharply following U.S. decision to ban technology sales to China's telecom giant, Huawei. The tech-rich Nasdaq Composite Index tumbled 1.46%, the Dow declined 0.33% and the S&P 500 Index lost 0.67%.

Our Thoughts

We believe regional markets are set to remain volatile so long Trump maintains his "bullying" stance against China and the rest of the world. Recent developments on Huawei sets the tone for other Chinese companies which would create continuous uncertainties surrounding the 2 largest economies as US companies may also be impacted. As for the local bourse, we reckon prevailing consolidation to persists with the lack of catalysts. Psychological support is seen at the 1,600 mark for the FBM KLCI.

News For The Day

More jobs from Sarawak coastal road project

More Sarawak and peninsula-based construction companies are expected to secure jobs under the billion-ringing Sarawak Coastal Road Network project as the award of contracts picks up momentum. Five contracts – four of them bridge projects across rivers – worth a combined RM1.76bn have been awarded since February. – *The Star Online*

Perangsang Selangor buys Toyoplas for RM311m

State owned Kumpulan Perangsang Selangor Bhd is buying a 100% stake in plastic injection moulding firm Toyoplas Manufacturing (M) Sdn Bhd for RM311.25m cash. Toyoplas is an integrated player with mould fabrication, precision injection moulding and assembly operations across seven locations in China, Malaysia and Indonesia. – *The Star Online*

Oil touches multi-week highs as Opec signals it may extend cuts

Oil prices on Monday rose to multi-week highs before easing later in the session as Opec indicated it was likely to maintain production cuts that have helped boost prices this year, while escalating Middle East tensions provided further support. – *Reuters*

Securemetric bags contracts to supply digital security solutions for Vietcombank

Newly listed Securemetric Bhd has won two contracts with a combined value of RM3.94m to supply digital security solutions to Vietcombank. The contracts, awarded to Securemetric Technology Co Ltd, its wholly owned subsidiary in Vietnam, are expected to be completed in the financial year ending Dec 31, 2019 (FY19). Vietcombank, listed on the Ho Chi Minh City Stock Exchange, is one of Vietnam's largest commercial banks by asset size and operates 111 branches throughout the country. – *The Edge Markets*

Elsoft to make embedded controllers for test equipment

Elsoft Research Bhd is diversifying into the production of embedded controllers for medical instruments and automated test equipment for infrared and laser devices. The group had allocated RM8m to RM10m to develop new test equipment and improve on existing ones. – *The Star Online*



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