



21 October 2019

 research@rakutentrade.my

Previous Day Highlights

The FBM KLCI declined 3.35 points or 0.21% to 1,571.15 last Friday. Volume traded was higher at 2.96bn shares value at RM2.23bn. There were 432 losers against 401 gainers.

Asian stock finished mostly lower last Friday. The Shanghai Composite Index and Hang Seng Index lost 1.32% and 0.48% respectively. Japan's Nikkei 225 Index was up 0.18%.

US stock market finished lower last Friday with the Dow Jones Industrial Average Index closed 0.95% lower to 26,770.2. Nasdaq dropped 0.83% while S&P 500 lost 0.39%.



News For The Day

Pharmaceuticals riding steady despite market volatility

Amid global growth this year expected to be at its slowest in a decade – with economists warning of an increasing risk that it would lead to a recession next year – pharmaceutical companies listed on Bursa Malaysia appear resilient. – *The Edge Financial Daily*

Econpile bags contract for Tropicana Gardens

Econpile Holdings Bhd has been awarded a RM44m contract for demolition, earthworks, piling and substructure works for the Tropicana Gardens mixed development. – *Sunbiz*

DiGi 3Q net profit slips to RM356m, declares 4.5 sen dividend

Digi.Com Bhd net profit for the third quarter ended Sept 30, 2019 slipped to RM356.1m from RM392.54m a year earlier, on the back of lower revenue. Revenue for the quarter slipped to RM1.56bn from RM1.59bn previously. – *The Edge Markets*

PetChem associate executes final phase of RM1bn project financing

Petronas Chemicals Group Bhd's 50%-owned associate Pengerang Petrochemical Co Sdn Bhd (PPC) had on 17 Oct 2019 executed the second and final phase of its RM1bn project financing to repay PPC's bridge loan. – *The Edge Markets*

KNM unit gets purchase order from Petrofac Emirates

KNM Group Bhd (KNM)'s indirect unit has accepted a US\$12.31m (RM51.48m) purchase order from Petrofac Emirates LLC to supply pressure vessels and columns. – *The Edge Markets*

MPOA sees business as usual as India mulls palm oil curb

Given the strong bilateral trade relationship between Malaysia and India, the Malaysian Palm Oil Association (MPOA) viewed that business will be usual for both countries despite news that India is considering curbing imports of some Malaysian products including palm oil. – *The Edge Financial Daily*



Our Thoughts

Gold has always been deemed as the preferred asset class amid high volatility between the equity and treasury markets. As a result, gold prices have had seen solid buying support with year to date gain of almost 16% to around US\$1,500/oz which is a multi-year high. Though the level is still way below the high of US1,900/oz during the gold rush in 2012, it nonetheless has been steadily creeping up over the past few months. With market volatility not relenting anytime soon, we reckon there could be more upside for gold prices moving forward. Judging from the prevailing gold fever, we believe Bahvest which is producing gold in Tawau, Sabah should be in prime position to take advantage of the situation.



21 October 2019

 research@rakutenrade.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.rakutenrade.my

Kenny Yee Shen Pin
Head of Research