



22 October 2019

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Previous Day Highlights

The FBM KLCI ended flat (-0.01%) at 1,570.93 yesterday mostly dragged down by bank counters namely HLBANK, AMBANK and CIMB. Volume traded was higher at 2.58bn unit of shares valued at RM1.48bn.

Asian stocks closed slightly higher yesterday with the Nikkei 225 Index gained 0.25%. Shanghai Composite Index inched up 0.05% while Hang Seng Index edged up 0.02%.

US stock market finished higher overnight amid optimism over US-China trade negotiation. Dow Jones Industrial Average Index rose 0.21%, S&P 500 Index gained 0.69% while Nasdaq Composite Index finished 0.91% higher.



News For The Day

PM warns of possible trade sanctions on Malaysia

Prime Minister Tun Dr Mahathir Mohamad said exports-reliant Malaysia could be hit with trade sanctions amid rising protectionism highlighted by the US-China tariff war. – *The Edge Financial Daily*

Axis REIT 3Q NPI up 1.8%, declares 2.35 sen DPU

Axis Real Estate Investment Trust's (Axis REIT) net property income (NPI) rose 1.8% in the third quarter ended Sept 30, 2019 to RM47.87m from RM47.03m a year ago, after adding three more properties to its portfolio during the period. – *The Edge Markets*

KAB partners Resource Data Management Asia to provide technological solutions

Kejuruteraan Asastera Bhd (KAB) is partnering Resource Data Management Asia Sdn Bhd in identifying opportunities in the provision of end-to-end solutions related to energy efficiency, automation engineering as well as Internet of Things integration. – *The Edge Markets*

TRC Synergy to build new Prasarana HQ

RC Synergy Bhd's wholly owned subsidiary Trans Resources Corp Sdn Bhd has received a RM99.5M contract from Prasarana Malaysia Bhd for the construction of its new headquarters. – *Sunbiz*

KKB bags water and piping supply jobs

KKB Engineering Bhd has bagged two water supply contracts as well as piping supply orders worth a cumulative RM60.9m. The water supply contracts were awarded by the Sarawak Rural Water Supply Department and are for the Sarawak Water Supply Grid Programme which entails the construction of water supply from Kota Samarahan to Sebuyau. – *The Edge Markets*

OCR Group to launch 'tallest development' in Kuantan

OCR Group Bhd aims to launch Vertex Kuantan, its second project in the city, by the first half of 2023. The mixed development, dubbed the "tallest development in Kuantan", will have a gross development value of RM268m. – *Sunbiz*



Our Thoughts

Debates whether banking stocks which had been on a mild free fall are ripe for pickings continue. Whilst we were also guilty of recommending the banks earlier, we did not envisage the severity of the sell-down particularly from the foreign funds. Most of the big cap banks have had fallen by between 10-22% YTD which was unheard of before. Interestingly, only RHB and BIMB registered positive returns for the year possibly due to their lower foreign shareholding. Reflecting the weak banking stocks, the Bursa Malaysia Finance Index declined 12% YTD. Looking at the prevailing scenario, maybe one should start to look at some banking stocks for such opportunity may not come too often. Of the lot, Maybank, Public Bank, CIMB, Alliance and Hong Leong Bank seems a decent bet.



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