



23 August 2019

research@rakutenrade.my

Previous Day Highlights

The FBM KLCI rose 7.88 points or 0.49% to 1,602.47 yesterday mainly led by MAXIS and AMBANK. However, market breadth was negative with 401 losers versus 382 gainers.

Asia markets ended on mixed notes as Shanghai Composite Index gained 0.11%, Nikkei 225 Index increases 0.05% while Hang Seng Index dropped 0.84%.

US stock markets closed mixed as the Dow Jones Industrial Average Index advanced 0.19% while Nasdaq Composite Index dropped 0.36% and S&P 500 Index inched down 0.05%.



Our Thoughts

Indonesia is the latest to reduce interest rates with a 25bps cut to 5.5% yesterday. Nonetheless, we do not expect Malaysia to jump into the bandwagon anytime soon. Indonesia apart from the Philippines has been the more aggressive in hiking their interest rates last year in tandem with the Feds tightening stance from 4.25% to 6% while the Philippines from 3% to 4.75%. As for Malaysia, Bank Negara only hiked its rates from 3% 3.25% during the same period hence the propensity to reduce rates is very much lesser.



News For The Day

AMMB's Q1 net profit up 12.6% on higher income

Net profit for the first quarter ended June 30, 2019 jumped 12.6% to RM391.46m from RM347.59m a year ago, underpinned by consistent net interest income growth, coupled with higher trading and insurance income. - *The Sun*

AirAsia X Q2 net loss widens

Net loss for the second quarter ended June 30, 2019 widened to RM207.11m from RM57.46m a year ago, mainly due to loss of disposal of three aircraft under sale and leaseback during the current quarter and weakening of the ringgit against the US dollar. - *The Sun*

Serba Dinamik 2Q net profit jumps 27%, pays 2.7sen dividend per share

Net profit came in at RM130.44m or 8.88 sen per share, up from RM102.74m or seven sen per share in the previous corresponding quarter. This was as revenue surged 41.6% to RM1.14 billion from RM804.13m a year ago, due mainly to higher operations and maintenance activities in Malaysia, Indonesia and the Middle East region such as Qatar, United Arab Emirates and Bahrain. - *The Edge*

Boustead Plantations back in the black in 2Q due to disposal gain

A one-off disposal gain helped Boustead Plantations Bhd return to the black for the second quarter ended June 30, 2019 after six straight quarters of losses. It posted a net profit of RM79.23m for the quarter, versus a net loss of RM22.24m a year earlier. The one-off gain of RM119.5m came from the disposal of a piece of plantation land in Seberang Perai Utara. - *The Edge*

Kelington 2Q profit up 15%, proposes 1sen dividend

Kelington Group Bhd's second quarter net profit rose 15.89% to RM5.1m from RM4.4m a year earlier, thanks to higher contribution from its Singapore and Malaysian operations, which more than offset the decline from China and Taiwan. - *The Edge*



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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