



23 May 2019

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## Previous Day Highlights

The FBM KLCI closed 0.10% or 1.62 points lower to 1,603.74 on Tuesday. The volume and value traded on Bursa Malaysia remained low with 1.80bn unit of shares valued at RM1.46bn. Market breath was negative with 604 losers versus 215 gainers.

China's major stock indices dropped yesterday following reports that the United States could blacklist another Chinese tech firm, intensifying the trade war. The Shanghai Composite Index lost 0.49% but the Hang Seng Index and Nikkei 225 Index gained 0.18% and 0.05% respectively.

U.S. stock markets ended lower on Wednesday with the Dow Jones Industrial Average Index dropped 0.39%, the Nasdaq Composite Index declined 0.45% and the S&P 500 Index fell 0.28%.

## Our Thoughts

The on-going trade tension between US and China continues and now seems like "technology war" as can be seen with the announcement last week the US president signed an order that could restrict Chinese telecommunications companies from selling their equipment in the United States. This will have an impact on the sentiment on tech related stocks in Bursa Malaysia. Hence it presents buying opportunity amidst the share price weakness which is more palatable now.

## News For The Day



### **Pos Malaysia registers biggest-ever net loss**

Pos Malaysia Bhd recorded a net loss of RM165.7m for the financial year ended March 31, 2019 – its biggest-ever loss for a full year. The group had reported a net profit of RM93.25m during the preceding year. Pos Malaysia said the net loss was attributed mainly to widening losses from mail and impairment charges of RM39.6m from the loss of goodwill in Pos Logistics. – *The Star Online*

### **KUB plans to exit oil palm plantation business in Sarawak**

KUB Malaysia Bhd is targeting to dispose some of its assets, including oil palm plantation land and a mill in Sarawak, to improve cash flow. President and managing director Datuk Abdul Rahim Mohd Zin said the group was in advanced stages of disposing its palm oil mill, KUB Maju Mill Sdn Bhd. According to its 2018 annual report, the plantation estates in Sarawak are worth RM48.22m, while the mill is estimated at RM45.48m. – *The Star Online*

### **Now, China surveillance tech firm Hikvision on US blacklist radar**

The US administration is considering Huawei-like sanctions on Chinese video surveillance firm Hikvision, media reports show, deepening worries that trade friction between the world's top two economies could be further inflamed. The restrictions would limit Hikvision's ability to buy US technology and American companies may have to obtain government approval to supply components to the Chinese firm. – *Reuters*

### **Velesto posts RM22m Q1 net loss**

Velesto Energy Bhd has posted a net loss of RM22.22m in its first quarter ended March 31 compared with a net profit of RM5.02m in the previous corresponding period, mainly due to a net foreign-exchange (forex) gain of RM18.2m a year earlier that resulted from the early settlement of revolving credit. - *The Star Online*

### **Oil price loses about 2% on swelling US stockpiles, demand worries**

Oil prices fell about 2% on Wednesday as an unexpected build in U.S. crude inventories compounded investor worries that a trade fight between Washington and Beijing could dent crude demand over the long haul. – *The Star Online*



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