



23 October 2019

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Previous Day Highlights

The FBM KLCI gained 3.16 points or 0.20% to 1,574.09 yesterday. Volume traded was higher at 3.29bn unit of shares valued at RM2.10bn. There were 452 losers, 411 gainers and 384 counters remained unchanged.

Asian stocks closed mostly higher. Shanghai Composite Index rose 0.50%, Nikkei 225 Index gained 0.25% while Hang Seng Index was 0.23% higher.

US stock markets ended slightly lower overnight due to weaker corporate earnings. Dow Jones Industrial Average dropped 0.15%, S&P 500 lost 0.36% while Nasdaq declined 0.72%.

Our Thoughts

It's been almost 2 weeks since the tabling of Budget 2020 and we noticed that construction related contracts has been trickling in which we believe is a good sign. Thus far contracts mentioned have totalled RM3.3bn for a plethora of smallish construction players namely TRC Synergy (RM99.5m), KKB Engineering (RM61m), Econpile (RM44m), Advancecon (RM50.5m), Vizione (pending RM2bn), Crest Builders (RM155m) and Vertice (RM851m). Although the impact on the local bourse has been rather muted, we reckon going forward interests on these companies to gather momentum once more projects are announced as the hype on the construction sector is lifted again.

News For The Day

A challenge to pay rising civil service pension bill

The government is finding it challenging to pay the civil service's retirement expenditure each year, as the annual total rose to RM23.87bn in 2018 from RM5.86bn in 2006. Prime Minister also told that the previous government increased civil service salaries for a few times at a relatively high percentage, which increased the government's pension liabilities. – *The Edge Financial Daily*

Revenue Group proposes 2-for-3 bonus issue

Revenue Group Bhd proposes a bonus issue of up to 230.04m shares, on the basis of two shares for every existing three shares held. The theoretical ex-bonus share price is 99.6 sen based on its five-day volume weighted average price of up to Oct 21, 2019 of RM1.6608. – *Sunbiz*

Dayang to raise up to RM683m via sukuk programme

Dayang Enterprise Holdings Bhd has established an eight-year sukuk murabahah programme of up to RM682.5m in nominal value. – *Sunbiz*

CIMB Thai posts 35.5% increase in 9M2019 net profit

CIMB Group Holdings Bhd's 94.83%-owned CIMB Thai Bank PCL recorded a consolidated net profit of 728.1m baht (RM100.4m) for the nine-month period ended Sept 30, 2019, an increase of 35.5% year-on-year, mainly attributed to a 2.3% growth in operating income and a 32.7% decline in provisions. – *Sunbiz*

IFCA in MoU with Huawei to explore AI, big data

IFCA MSC Bhd has entered into a non-legally binding memorandum of understanding with Huawei Services (Hong Kong) Co Ltd to jointly explore DevOps, cloud artificial intelligence, big data and innovative technology knowledge sharing projects. The MoU aims to record its and Huawei's initial intent and that it is their intention to enter into definitive agreements on the planned cooperation. – *The Edge Markets*

TDM's Indonesia ops face sanction over recent fires

TDM Bhd's subsidiary, PT Rafi Kamajaya Abadi, is sanctioned by the Indonesia government and ordered to stop all plantation activities at some 900ha of its plantation area in Kalimantan, due to fires recently. The sanction lasts three years. – *The Edge Financial Daily*



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