# R<u>akuten</u> Trade

## Dail<u>y Market Re</u>port

24 October 2019



### Previous Day Highlights

The FBM KLCI lost 5.3 points or 0.34% to 1,568.79 yesterday. The index hit a low of 1,564.1 with only 5 gainers versus 22 losers. Value traded was lower at RM1.69bn, with 2.61bn unit of shares traded.

Asian stocks ended mostly in negative territory. Hong Kong's Hang Seng Index tumbled 219.5 points to 26,566.7. Shanghai Composite Index dropped 0.43% while Nikkei 225 was up 0.34%.

US stock markets inched up overnight. The Dow Jones Industrial Average Index ended 0.17% higher to 26,834. Nasdaq Composite Index gained 0.19% while S&P 500 rose 0.28%.



Blue chips on the local bourse is underperforming to say the least. The FBM KLCI has declined 7.2% year to date dragged down mainly by banking stocks which were drastically sold down by foreign funds. On the flipside, we are encouraged by the heightened trade velocity of the smaller cap companies during the same period as reflected by the almost 20% gain of the FBM Small Cap index YTD. Dwelling further into the performance, both the Construction and Technology sectors are the saviours of market participation thus far with both indices saw 32.3% and 28.4% jump so far this year. We believe liquidity would continue to flow into both sectors as companies within are anticipated to benefit from the recent incentives via Budget 2020. For Tech we favour names like Dufu, Datasonic, Mi Technovation, Greatech and Revenue.



### News For The Day

### Malaysia Airlines needs RM1bn cash injection a year to survive

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Loss-making national carrier Malaysia Airlines Bhd needs about RM1bn of capital per year if the government intends to sustain its operations under the current structure, says Khazanah Nasional Bhd. – *The Edge Financial Daily* 

#### HSS Engineers associate bags Pan Borneo job

HSS Integrated Sdn Bhd, an associate company of HSS Engineers Bhd, has been appointed as the independent consulting engineer by the Works Ministry for the Pan Borneo Highway project in Sabah. The contract was valued at RM12.86m. – *Sunbiz* 

#### Gadang earnings in Q1 10.3% lower

Gadang Holdings Bhd's net profit for the first quarter ended Aug 31, 2019 fell 10.3% to RM14.85m from RM16.54m a year ago, mainly due to widened losses from the investment holding division and lower profit in the property division. – *Sunbiz* 

#### Kelington's liquid carbon dioxide plant in Terengganu kicks off

Kelington Group Bhd has commenced its operation of liquid carbon dioxide plant in Kemaman, Terengganu. The plant operated by its 97.2%-owned subsidiary Ace Gases Sdn Bhd, can produce up 50,000 tonnes of LCO2 per year. – *The Edge Markets* 

### Datasonic partners South Korean firm to develop biometric applications

Datasonic Group Bhd has inked a shareholders agreement with South Korea's Digent Co Ltd to form a joint venture company to jointly develop and market what is termed the next generation biometric applications. – *The Edge Markets* 

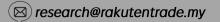
#### <u>Pestech inks MoU with PKFZ to provide roof top</u> <u>solar power solutions</u>

Pestech International Bhd is exploring opportunities to provide roof top solar power solutions and establish a green renewable energy initiative programme in the free commercial and industrial zone in Port Klang. This will be done in collaboration with Port Klang Free Zone Sdn Bhd (PKFZ). – *The Edge Markets* 

Rakuten Trade Sdn. Bhd. (266701-P)

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