



26 August 2019

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Previous Day Highlights

The FBM KLCI continued its uptrend for the second session last Friday, gaining 6.86 points or 0.43% to 1,609.33. However, market breadth was negative with 400 losers against 381 gainers.

Asia markets closed higher last Friday with the Shanghai Composite Index rose 0.49%, Nikkei 225 Index gained 0.40% and Hang Seng Index ended 0.50%.

US markets fell after President Trump mentioned to raise tariff on Chinese goods in response to trade war retaliation. The Dow dropped 2.37%, S&P lost 2.59% and Nasdaq declined 3.0%.



Our Thoughts

Brace for some selling on the equity markets today following China's retaliatory moves on its trade war with the US. Due to this, Wall Street succumbed to some heavy sell-down with the DJI Index shedding 623 points to below 26,000 again. We believe the negative sentiments should overcast today's trading and expect the region to trend lower today. Locally, we see support level for the FBM KLCI at 1,580 and advocate investors to Buy on Weakness.



News For The Day

DRB-Hicom returns to the black

It posted a net profit of RM46.21m for the first quarter ended June 30, 2019 from a net loss of RM66.59m a year ago due to improved sales in the automotive sector. Automotive sector's revenue posted a 59.2% jump year-on-year to RM2.23bn from Proton's various launches of facelifted models, adding that the group's sale was boosted from promotions by other marques. - *The Star*

Dayang posts 'best second-quarter' earnings

Net profit grew 42% on-year in its second quarter, thanks to higher profit margin and revenue, with lower finance costs and expenses. Net profit for the quarter ended June 30, 2019 grew to RM55.09m from RM38.85m, while revenue climbed 12% to RM247.18m from RM221.28m, mainly due to higher vessel use and higher work orders received and performed under the topside maintenance contracts. - *The Edge*

PETDAG Q2 net profit shrinks on higher opex

Petronas Dagangan Bhd's net profit for the second quarter ended June 30, 2019 fell 45.06% to RM172.75m from RM314.42m a year ago due to lower gross profit coupled with higher operating expenditure and lower other income. - *The Sun*

Pharmaniaga 2Q net profit leaps 72%

Pharmaniaga Bhd's net profit for the second quarter ended June 30, 2019 ballooned 72%, on the back of higher demand for its products in Indonesia and a lower tax bill. The pharmaceutical group declared a second interim dividend of 2.5 sen, compared with 4 sen in 2QFY18. - *The Edge*

REDtone's digital services set to stop bleeding

REDtone International Bhd expects its loss-making industry digital service business (IDS) to turn around and help improve the group's overall financial performance in the current financial year ending June 30, 2020. CEO believes that the group's new virtual reality service, dubbed Flexicraft, is set to boost sales in the IDS segment. - *The Edge*



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