



27 August 2019

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Previous Day Highlights

The FBM KLCI recovered from intra-day low to close above the 1,600 level, losing 8.8 points or 0.55% to 1,600.53. However, market breadth was broadly negative with 661 losers against 211 gainers.

Asia markets were all in the red with the Shanghai Composite Index losing 1.17%, Nikkei 225 Index plunged 2.17% and Hang Seng Index ended 1.91% lower.

US markets recovered after President Trump says trade talk with China is to resume diffusing the trade war heart. All the indices were all green with Dow Jones Industrial Index gaining 1.05%, S&P rose 1.10% and Nasdaq up 1.32%.



Our Thoughts

Looks like global equity markets will swing according to Mr Trump's mood. Whilst he is the main culprit in creating the prevailing volatility, Trump may have played his final card with China. The U-turn yesterday showed exactly his folly against China and may be a little too late in trying to amend the damage. Though we may see some buying today, recent wild market movements would have frightened off the more risk averse investors. Any rebound may be countered with some profit taking activities hence we do not foresee any sharp improvements in the equity markets over the near term and 1,620 to be the immediate resistant level for the FBM KLCI.



News For The Day

RHB Q2 profit up 7.9%, pays 12.5cen dividend

Better performance due to higher non-fund based income and lower expected credit losses on loans. RHB Bank Bhd's revenue grew 12% to RM3.42bn compared with RM3.05bn previously. The bank announced interim dividend of 12.5sen per share, representing 40.2% highest ever payout based on 1H2019 results. - *The SunBiz*

AEON Co 2Q profit doubles but firm expects softer 2H

AEON Co (M) Bhd doubled its net profit to RM19.45m for the second financial quarter ended June 30, 2019 from RM9.79m a year earlier, due to absence of impairment losses at an associate which had impacted its results in the previous quarter. Its quarterly revenue grew 3% to RM1.1bn from RM1.06bn. - *TheEdge Financial Daily*

US, China dial down the trade war rhetoric

Trump predicts a deal, Beijing calls for "calm negotiations" to end dispute. Trump speaking on the sideline of the Group of Seven (G7) summit in France, said Chinese officials had contacted US trade counterparts overnight and offered to return to the negotiating table. - *The SunBiz/Reuters*

Chinese AI start-up Megvii files for HK IPO of at least USD500m

Chinese AI firm Megvii Technology Ltd, backed by Alibaba, has filed in Hong Kong to conduct an initial public offering targeting USD500m. Beijing based Megvii, widely known for facial recognition platform Face++, may raise as much as USD1bn. - *The SunBiz Reuters*



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