



28 May 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI closed 3.03 points or 0.19% higher to 1,601.35 yesterday. Volume traded on Bursa Malaysia remained low with 1.60bn shares traded valued at RM1.29bn.

China stocks rebounded on policy support expectations to offset impact from U.S. tariffs. The Shanghai Composite Index gained 1.38% while Japan's Nikkei 225 Index also gained 0.31% as Trump visited to Japan. Likewise, Hang Seng Index inched down 0.24%.

U.S. stocks were closed on Monday for Memorial Day.



News For The Day

KNM units secure RM97.7m worth of contracts

KNM Group Bhd has been awarded three contracts with a total estimated value of RM97.7m via its subsidiaries. Its wholly owned subsidiary KNM Process Systems Sdn Bhd signed a purchase order from TPSK Consortium for the supply of shop assembled large columns for the Petrochemical Complex, Olefin plant in South Vietnam amounting to US\$12.77m (RM53.4m). - *The Star Online*

TRC Synergy 1Q net profit comes in almost 9 times higher on lower forex losses

TRC Synergy Bhd's net profit for the first quarter ended March 31 skyrocketed almost nine times to RM13.04m from RM1.49m a year ago on lower foreign exchange losses. Its higher net profit was due to higher gross margins and a lower unrealised forex loss of RM1.37m, from the RM9.9m posted in the corresponding quarter a year ago. - *The Edge Markets*

Scomi Group makes cash call to recapitalise

Scomi Group Bhd (SGB) is making a cash call to raise RM214m, an amount that is nearly three times more than its current market capitalisation of RM72m, to pare down debts. SGB has proposed a wide-ranging corporate exercise, which also includes a rights issue that will be sweetened by free warrants, share consolidation, liabilities settlement and shares capital reduction. The group has fixed the price for its rights issue at 18 sen per share. - *The Edge Markets*

Hibiscus Petroleum 3Q net profit down 33.62% following lower margins and specific segment losses

Hibiscus Petroleum Bhd net profit for the third quarter ended March 31 fell by 33.62% to RM55.18m from RM83.14m on lower margins and losses for some of its segments. The group said that its investment holding and group activities and 3D Oil, VIC/L31 & VIC/P57 saw losses after tax on adverse foreign exchange differences, while its Anasuria Cluster margin was lower due to lower average uptime and planned maintenance work carried out. - *The Edge Markets*



Our Thoughts

Corporate Malaysia so far have had reported a decent set of earnings for the 1Q2019. We noticed that earnings from the banking sector have been within expectations thus far. If any, figures from the oil & gas sector were a tad disappointing. As for the others, it is so far so good. As a result, we may not see any major downgrade to our earnings growth forecast which is pegged at 2% for 2019.



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RAKUTEN TRADE SDN BHD (266701-P)

Level 7, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2110 7188 Website: www.rakutenrade.my

Kenny Yee Shen Pin
Head of Research