



29 November 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI dropped 3.4 points or 0.21% to 1,583.8 yesterday. Bursa Energy Index was among the top declining indices and it decreased 0.89% amid the weaker crude oil price. Turnover stood at 2.13bn shares worth RM1.44bn.

Asia stock markets ended mostly lower. Shanghai Composite Index was 0.47% lower, Nikkei 225 Index decreased 0.12% while Hang Seng Index declined 0.22% to 26,893.7.

U.S. stock markets were closed for Thanksgiving public holiday.



News For The Day

Heineken Malaysia 3Q net profit up 31%

Heineken Malaysia Bhd posted a 31% increase in net profit to RM103.3m in the third quarter ended Sept 30, 2019 from RM78.87m a year ago, on higher revenue and improved cost efficiency, as well as the timing of commercial spend for new product launches executed during the quarter. – *The Edge Markets*

Higher income boosts Maybank's Q3 net profit to RM2bn

Malayan Banking Bhd reported a 2.1% rise in net profit to RM2.0bn for the third quarter ended Sept 30, 2019 against RM1.96bn in the previous corresponding period, driven by a 14.1% increase in net operating income. This came on the back of a 38.6% expansion in net fee-based income and a 6% growth in net fund-based income. – *Sunbiz*

Karex posts second straight quarterly loss

Karex Bhd, the world's largest condom maker, reported its second straight quarterly loss in the first quarter ended Sept 30, 2019, on high raw material prices, as well as ongoing social compliance costs which continued to exert pressure on profitability. – *The Edge Markets*

KPJ 3Q profit up 12% on record-high revenue

KPJ Healthcare Bhd's net profit in the third quarter ended Sept 30, 2019 rose 12.38% to RM46.41m from RM41.3m, lifted by a record high quarterly revenue and stronger contribution from associates. – *The Edge Markets*

Velesto sees better FY19, posts RM33.32m net profit in 3Q

Velesto Energy Bhd, whose share price has more than doubled year to date, posted a net profit of RM33.32m in the third quarter ended Sept 30, 2019 compared to a net loss of RM13.6m a year ago. Quarterly revenue expanded 38% to RM208.5m in 3QFY19 from RM150.32m a year ago. – *The Edge Markets*



Our Thoughts

Just when one expected a solution from the US China trade discussion, in came party pooper Mr Trump over the sensitive issues in Hong Kong and may jeopardise any potential encouraging outcome. With this latest uncertainty, we foresee more market volatility ahead. To make matters worse, US stocks are now deemed expensive predominantly propped up by excess liquidity and are extremely susceptible to any market vagaries. On the flipside, we believe it is a matter of time before foreign funds will make a U-turn back to Asia for value proposition where the local bourse may benefit from some spillover effects. Expect the market to try break the 1,585 mark and re-test the 1,590 level.



29 November 2019

 research@rakutentrade.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

RAKUTEN TRADE SDN BHD (266701-P)

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

Kenny Yee Shen Pin
Head of Research