



29 October 2019

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Previous Day Highlights

The FBM KLCI was mainly dragged down by telco counters namely MAXIS and AXIATA last Friday. The index dropped 1.11 points or 0.07% to 1,570. Technology Index was among the top loser down by 2.05%. There were 429 losers versus 322 gainers.

Asia stock markets closed higher yesterday, lifted by the optimism over US – China trade talk. The Shanghai Composite Index rose 0.85%, Hang Seng Index jumped 223.9 points and Nikkei 225 Index gained 0.30%.

US stock markets hit all-time high propelled by positive development on trade talk and corporate earnings beat expectation. The Dow jumped 0.49% to 27,090.7, S&P 500 closed at 3,039.4 and Nasdaq ended at 8,326.0.



News For The Day

Sarawak Consolidated awarded RM175.4m jobs

Sarawak Consolidated Industries Bhd has bagged RM175.4m worth of engineering, procurement, construction and commissioning contracts. The group has accepted letters of award and acceptance for three EPCC contracts in Indonesia, Qatar and Oman; while its wholly owned subsidiary SCIB Properties Sdn Bhd accepted the LOA for two EPCC contracts in Malaysia. – *Sunbiz*

Maxis Q319 net profit 30% lower at RM358m

Maxis Bhd's third quarter (3Q2019) net profit fell 30.2% to RM358m, from RM513m in the previous corresponding quarter, driven by the loss of a wholesale agreement and increase in investment for growth in enterprise, fibre and customer experience. – *Sunbiz*

No decision on Indian hospital investments — IHH

IHH Healthcare Bhd said it has not made any definitive decision on its investments in the Ravindranath GE Medical Associates Pvt Ltd and Continental Hospitals Private Ltd in India. – *The Edge Markets*

Ekovest unit PLS Plantations to raise up to RM1.05bn

Ekovest Bhd's 30.44%-owned associate company, PLS Plantations Bhd, has proposed to raise up to RM1.05bn via a renounceable rights issue with free warrants to expand its durian plantation business. – *The Edge Markets*

Berjaya Media fails to find white knight, to be suspended on Nov 5

Berjaya Media Bhd has failed to find a white knight to regularise its financials, resulting in the suspension of the trading of its securities starting Nov 5. It could be delisted subsequently on Nov 7, unless an appeal against the delisting is submitted before the date of suspension. – *Sunbiz*

Unisem posts first quarterly loss since 2013

Unisem (M) Bhd incurred a net loss of RM3.21m for the third quarter ended Sept 30, 2019, versus a net profit of RM35.15m a year ago, due to expenses arising from the closure of its Batam unit, PT Unisem. – *The Edge Markets*



Our Thoughts

US stocks surged to new highs supported by encouraging results plus expectations of a positive outcome from the US/China Trade talk. However, many are expecting more rate cut during the FOMC meetings over the next 2 days and may trigger portfolio realignments again following the US 10-year Treasury rate touching a 6-week high recently above the 1.8%. In view of this, we do not foresee market volatility to diminish anytime soon. Nonetheless, we reckon the local bourse to be relative well supported at current levels with focus again centred on the lower liners.



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