



31 May 2019

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## Previous Day Highlights

The FBM KLCI extended its gain for the fourth consecutive sessions to close at 1,636.5 points gaining 12.8 points or 0.79%. Market breath was positive with 513 gainers versus 366 losers and 334 counters remained unchanged.

Asian market closed lower with the concerns over the trade war and a pullback in mainland Chinese equities after a three-day winning streak weighing on sentiment. The Shanghai Composite Index lost 0.31%, Japan's Nikkei 225 dropped 0.29% and Hang Seng Index declined 0.44%.

U.S. stocks ended higher with the Dow Jones Industrial Average Index gained 0.17%, the S&P 500 Index rise 0.21% and the Nasdaq Composite Index advanced 0.27%.



## News For The Day

### **Telekom Q1 net profit jumps to RM308.2m**

Telekom Malaysia Bhd's net profit almost doubled in the first quarter ended March 31, 2019 to RM308.28m from RM157.15m a year ago mainly due to a reduction in operating costs. Its revenue dipped by 2.4% to RM2.78bn from RM2.85bn a year ago. Its earnings per share were 8.2 sen compared with 4.18 sen. However, a reduction in operating costs saw earnings before interest and tax doubling to RM504.8m from RM195.6m a year ago. - *The Star Online*

### **Aeon: No new mall in pipeline due to challenging market sentiment**

AEON Co (M) Bhd does not have plans to open new malls for the time being in view of the challenging market sentiment. With that, the group has allocated less than RM500m for capital expenditure (capex) for this year. - *The Sun Daily*

### **ARB unit bags RM60.4m contract**

ARB Bhd's wholly owned subsidiary Arbiot Sdn Bhd has received and accepted a letter of award yesterday from Prinsiptek Corp Bhd to carry out an Internet of Things contract for the systems, engineering, procurement, commissioning and management for a proposed residential development at Shah Alam, Selangor for RM60.43m. - *The Star Online*

### **DRB-Hicom posts first operating profit in three years**

DRB-Hicom Bhd staged a major turnaround in its operations as it posted its first full-year operating profit in three years in FY ended March 31, 2019 and expects to deliver a satisfactory performance for FY20. Its FY19 operating profit was RM342m, a stark contrast against an operating loss of RM817m – excluding the RM1.1bn research and development grant in FY18. - *The Star Online*

### **IHH reports 56% jump in Q1 earnings**

It reported a 56.4% jump in net profit to RM89.51m for the first quarter ended March 31, 2019 against RM57.23m in the previous year's corresponding period, attributed to growth from its existing operations and contribution from Gleneagles Hong Kong Hospital and Acibadem Altunizade Hospital, as well as the acquisition of Amanjaya Specialist Centre and Fortis Healthcare. - *The Sun Daily*



## Our Thoughts

An inverted yield curve means that short-term interest rates are higher than longer-term ones. The inverted yield curve is what happens when investors are bidding for longer-term bonds thus driving down their yields because they are pessimistic about the short-term prospects for the economy. Many refer such occurrence as a sign of imminent recession. Though we believe a recession will not happen, Trump's bulldozing tactics globally will certainly create some anomalies within the bond and equity markets.



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