



31 October 2019

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Previous Day Highlights

The FBM KLCI continued to trend higher, closed at 1,580.0 points yesterday. The index saw 17 gainers versus 7 losers, mainly lifted by PPB, PBBANK and TENAGA. Valued traded was RM1.71bn with 2.27bn unit of shares exchanged.

Asian stock markets closed in negative territory yesterday as the Shanghai Composite Index lost 0.50%, Nikkei 225 Index declined 0.57% and Hang Seng Index dropped 0.44%.

All three major US stock market indices finished higher overnight. Dow Jones Industrial Average Index gained 0.43%, Nasdaq Composite Index rose 0.33% and S&P 500 Index ended at 3,046.8 points.



News For The Day

Dr Mahathir still de facto finance minister - IDEAS

Prime Minister Tun Dr Mahathir is still the “de facto” finance minister despite not officially holding the portfolio, as he has consolidated control over key statutory bodies and ministries in the country, according to Institute for Democracy and Economic Affairs (IDEAS) senior fellow Professor Dr Edmund Terence Gomez. – *The Edge Financial Daily*

Malaysia Airlines seals wide-ranging pact with SIA

Malaysia Airlines Bhd has inked a wide-ranging commercial agreement with Singapore Airlines (SIA) to share revenue on flights between Singapore and Malaysia, expand codeshare routes and participate in joint marketing activities to develop tourism. – *The Edge Financial Daily*

Kronologi Asia’s earnings up 35% in 3Q

Kronologi Asia Bhd’s net profit soared 35.3% to RM6.78m or the third quarter ended Sept 30, 2019 compared with RM5.01m in the previous corresponding period, underpinned by higher contribution from its operation in India and the acquisition of Sandz Solutions Group. – *Sunbiz*

Caring Pharmacy 1Q net profit rises 2.27%

Caring Pharmacy Group Bhd’s net profit grew 2.27% to RM4.18m in the first quarter ended Aug 31, 2019 from RM4.09m in the same period a year ago, as revenue increased. Its quarterly revenue was also up 8.86% to RM163.26m versus RM149.97m, mainly contributed by the sales generated from the establishment of 16 new outlets. – *The Edge Markets*

Guocoland sees sixth consecutive quarter in the red

Guocoland (Malaysia) Bhd, the property development arm of Hong Leong Group, reported a widened net loss of RM10m for the first quarter ended Sept 30, 2019 versus its net loss of RM1.22m in the previous year’s corresponding quarter, marking its sixth consecutive quarter in the red. – *The Edge Markets*

Khazanah MD: No mood to sell PLUS

The government sovereign wealth fund, Khazanah Nasional Bhd, is not in the mood to sell PLUS Malaysia Bhd, the country’s biggest expressway toll firm. – *Sunbiz*



Our Thoughts

The Federal Reserves has cut interest rate by another 25bps which is the 3rd in 2019. Though the equity market has had reacted positively on the move, we reckon funds will eventually return to bonds thus impede the uptrend of the equity markets. Over in Asia, one can also expect interest rate sensitive countries namely Thailand and Indonesia to follow suit in due course. Meanwhile, the local bourse seems to have found a strong support at the 1,570 level and we expect the FBM KLCI continue with its upward momentum to re-test the 1,600 mark over the immediate term. Foreign funds outflow has had also taken a pause for the time being hence could be a positive sign especially for the blue chips. Maybe it is time to look at the banking stocks again.



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