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## Previous Day Highlights

The FBM KLCI failed to sustain the buying momentum and lost 8.28% or 0.53% to close at 1,562.3 yesterday. Market breadth was negative as there were 539 losers, outnumbering 289 gainers. Volume traded was 2.34bn while value traded was RM1.74bn.

Asia stock markets ended mostly lower. Japan's Nikkei 225 Index dropped 0.64% while Hang Seng Index declined 0.20%. Meanwhile, Shanghai Composite Index was 0.31% higher.

U.S. stock markets finished lower overnight. The Dow Jones Industrial Average lost 1.01% to 27,502.8. S&P 500 Index dropped 0.66% to 3,093.2 points while Nasdaq declined 0.55%.

## Our Thoughts

Trusting Trump to come clean on the US China trade talk is likened to the sun rises from the west. As it is, global equity markets are again roiled by the diminishing hopes of any agreement between the US and China. Looks like we may have to endure the stalemate till 2020 amid heightened market volatility. We are indeed surprised by the way foreign funds are shunning Malaysia as we are indeed heading towards a more positive direction next year. With corporate earnings estimated to grow above 6% in 2020, valuations on the local bourse seems to be very reasonable. Based on 1,560 the FBM KLCI is trading on a market PER of below 15x which is deemed highly attractive. Therefore, we maintain our view that foreign funds would return anytime soon. For today, we expect the benchmark index to test 1,560 before rebounding towards the 1,565 mark.

## News For The Day

### Destini secures RM50m contract from MinDef

Destini Bhd has secured a RM50.18m extension to its current contract to carry out maintenance, repair and overhaul services and the supply of safety and survival equipment to the air force. The tenure of the contract was one year starting from Oct 3, 2019 to Oct 2, 2020. – *The Star Online*

### Sino Hua An ventures into digital transformation in RM72m deal

Sino Hua An International Bhd is making its foray into digital business transformation solutions with the purchase of a 100% stake in technology company TouchPoint Group for RM72m. Sino Hua An, which is set to transform from being a manufacturer of metallurgical coke, said on Tuesday Hua An will own 100% equity of TP Group, comprising of TouchPoint International Sdn Bhd and Wavetree PLT. – *The Star Online*

### Oil price steadies after slide on Trump's US-China trade comments

Oil steadied on Tuesday, settling narrowly mixed as expectations of output cuts from OPEC and allied producers helped prices bounce after a slide following comments from U.S. President Donald Trump that a trade deal with China may be delayed. – *Reuters*

### Penang posts highest manufacturing investments in a decade

Penang has recorded its highest number of total approved manufacturing investments in a decade when the state brought in RM13.3bn worth of capital in the first nine months of this year. – *Sunbiz*

### Edaran unit bags IT maintenance contract worth RM56.71m

Edaran IT Services Sdn Bhd has secured a contract worth RM56.71m to undertake the maintenance work of hardware, server software and application of the Customs Information Systems from the Royal Malaysian Customs Department. – *The Edge Markets*



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