



04 July 2019

 research@rakutentrade.my

Previous Day Highlights

The FBM KLCI closed 0.95 points or 0.06% lower following some profit taking activities to 1,690.05 points. Market breath was negative with 456 losers versus 395 gainers, and 420 counters remained unchanged.

Asian markets ended mostly lower with the Shanghai Composite Index lost 0.94%, Hang Seng Index inched down 0.07% and Nikkei 225 Index closed 0.5% lower.

U.S. stock markets closed higher yesterday with the Dow gained 0.93%, Nasdaq Composite Index rose 0.75% and S&P 500 Index climbed 0.77%.



Our Thoughts

We expect buying interests on equities to prevail in view of yesterday's record close on Wall Street coupled with the decline in the US 10-year yield to a 2 year low at 1.95%. Consensus remain adamant that the Feds will cut rates in due course and expect the 10-year treasury rate to continue hovering at below the 2.0% level. Meanwhile, we expect the MYR to strengthen vis-à-vis the USD and may hit our 2019 target of RM4.10 rather soon.



News For The Day

MOE has breached contract over Frog VLE, says YTL Communications

YTL Power International Bhd's 60.0%-owned YTL Communications Sdn Bhd has claimed that the Ministry of Education as being in breach of contractual obligations. YTL Communications said it has invested more than RM4.0bn in building up the infrastructure in schools for a 15-year project for the Frog Virtual Learning Environment. The company has approval from the Malaysian Communications and Multimedia Commission to operate a 2.3 GHz WiMAX wireless broadband network in Malaysia. - *The Edge*

Litrak accepts MoF Inc's offer

Lingkar Trans Kota Holdings Bhd will accept the Minister of Finance (Incorporated)'s offer to acquire toll highway concessionaires Lingkar Trans Kota Sdn Bhd (Litrak) and Sistem Penyeruaian Trafik KL Barat Sdn Bhd (Sprint). - *The Sun Daily*

Yong Tai terminates agreement

Yong Tai Bhd announced that its wholly-owned subsidiary YTB Impression Sdn Bhd has terminated a joint development agreement with JM Bestari Land Sdn Bhd to develop a piece of land in Malacca. The agreement was terminated due to non-fulfilment of the condition precedent as stated in clause 3.1(c) of the joint development agreement. - *The Edge*

Benalec to dispose of two sand carrier vessels

Marine construction services group Benalec Holdings Bhd is disposing of two of its sand carrier vessels for US\$3.82m (RM15.82m) to improve its cash flow amid the softening of the domestic and regional maritime industry. - *The Edge*

Oil prices climb as US equities rally, rig count drops

Oil prices edged higher on Wednesday ahead of a U.S. holiday, after falling steeply a day earlier as worries about a slowing global economy outweighed a decision by OPEC and allies to extend crude output cuts. - *Reuters*



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RAKUTEN TRADE SDN BHD (266701-P)

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

Kenny Yee Shen Pin
Head of Research