



04 June 2019

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Previous Day Highlights

The FBM KLCI closed 4.55 points or 0.28% to 1,655.31 points yesterday mainly led by PETGAS, TENAGA and GENTING. However, value traded was low at RM1.55bn with 1.60bn unit of shares traded. Market breath was negative with 577 losers versus 266 gainers.

Asian market continued to trend lower as trade war heightened uncertainties among investors. The Shanghai Composite Index lost 0.3%, while Nikkei 225 Index declined 0.92% and Hang Seng Index inched down 0.03%.

US Dow Jones were marginally higher +0.019% at 24,819.78 while Nasdaq went the opposite direction and fell 1.61% to 7,333.02



News For The Day

Malaysia's April exports up, driven by manufactured goods

Malaysia's exports in April have marginally rebounded after registering two consecutive year-on-year declines since February. The ministry of international trade and industry (MITI) announced that exports grew by 1.1% to RM85.2 billion. The value of exports is the highest export value ever recorded for the month of April - *The Edge Financial Daily*

Foreign funds return to Bursa after nine-week hiatus

Foreign investors made a decent return to Bursa Malaysia after nine straight weeks of uninterrupted selling. Foreign funds mopped up RM48.8 million of local equities last week after disposing RM382.6 million the prior week. Similarly in Asia, after three straight weeks of heightened foreign net selling, international funds have turned net buyers. - *The Edge Financial Daily*

Oil stocks come under pressure

Shares fall due to low crude prices and US aggressive trade policy. The listless market coupled with low oil prices and aggressive trade policy by United States have put pressure on oil stocks. Despite an overall palatable earnings report from the oil and gas sector with most companies meeting expectations, stock prices took a whacking as investors aren't convinced about their potential moving forward. - *The StarBiz*

Can-One receives RM1 billion buyout offer unit

Can-One Bhd, a manufacturer of cans, has received a buyout offer for its unit F&B Nutrition Sdn Bhd at a price of up to RM1 billion. The announcement of the offer which came from Asia Dairy Creations Sdn Bhd, a special purpose vehicle managed by Southern Capital Group Pte Ltd stated that the company is willing to purchase F&B Nutrition's entire share capital at an indicative consideration of between RM800 mil and RM1 billion. - *The StarBiz*



Our Thoughts

Despite the recent concluded results season of which we reckon is within expectations, we noticed many analysts have become cautious as there were some rather apparent downgrade on forecasts among the FBM KLCI constituents. We presumed such stance could be due to the prevailing trade standoff between the US and China. Amongst others, the plantation sector was the biggest victim with expectations being cut rather drastically. As a result, earnings estimate for the sector have had been reduced from -1.9% to -7.3% for 2019. Notwithstanding this, we believe such move could be their part in managing expectations and if the planters are able to churn out better figures in the following quarters, upgrade could be on the cards again.



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