



05 August 2019

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Previous Day Highlights

The FBM KLCI broke below 1,620 level to 1,626.76 points last Friday. The index lost 12.3 points or 0.75% mainly dragged by MAXIS and TENAGA. Market breath was negative with 696 losers versus 210 gainers.

Asian stock market fell sharply after the renewed trade war as the Shanghai Composite Index lost 1.4%, Nikkei 225 Index dropped 2.1% and Hang Seng Index closed 2.4% lower.

US stock markets continue to fall with the Dow dropping 0.37% to 26,485 points while Nasdaq Composite Index and S&P 500 Index lost 1.32% and 0.73% respectively.



Our Thoughts

The equity markets are expected to remain volatile in view of the ongoing trade spat between China and the US. Following Trump's imposition of more tariffs, China has warned of a possible retaliation on the same. Nonetheless, we reckon investors would become more accustomed of the situation moving forward hence the equity markets will find an equilibrium and stability. Buy on weakness with focus on index linked counters namely the banks which had been sold down of late.



News For The Day

AirAsia risks more fines for violation

Low-cost carrier AirAsia Group Bhd and its associate AirAsia X Bhd could still face financial penalties for charging its customers a processing fee when they purchased air tickets via credit card or online banking. This is despite it announcing last Tuesday that it would remove the processing fee from October. Mavcom said starting June 1, it is compulsory for all airlines in Malaysia to remove processing fee in accordance with the Malaysian Aviation Consumer Protection Code 2016. – *The Edge*

ECRL shortlists bidders for 4Q tender call

A total of 331 out of 1,321 Malaysian construction companies have been shortlisted as potential tenderers for civil work packages of the planned RM44bn 640-km East Coast Rail Link, which is expected to link Kota Bharu to Putrajaya in about four hours, said project and asset owner Malaysia Rail Link Sdn Bhd. – *The Edge*

MRCB bags RM150m contract

Malaysian Resources Corporation Bhd's subsidiary has bagged a chilled water supply contract worth an estimated RM149.54m. KD District Cooling System Sdn Bhd was awarded the contract by the Employees Provident Fund Board's wholly-owned unit Kwasa Utama Sdn Bhd to supply chilled water to an office building in Kwasa Damansara for a period of 25 years from Sept 1. – *The Edge*

Maxis earnings hit by lower service revenue

It reported a net profit of RM397m for the second quarter ended June 30, 2019, a 17% decline a year ago due to a 4.7% drop in service revenue. The lower service revenue was largely due to the termination of a network sharing agreement, decline in prepaid revenue generating subscriber and an overall reduction in prepaid and postpaid average revenue per user, offset by growth in postpaid and home fibre subscribers. – *The Sun Daily*

MHB 2Q net loss narrows on higher revenue

Bursa Malaysia Marine and Heavy Engineering Holdings Bhd's net loss for the second quarter ended June 30, 2019 narrowed to RM9.48m from RM49.48m a year earlier, mainly due to improved performance in both its heavy engineering and marine segments. – *The Edge*



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