



05 February 2020

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI marked a rebounded yesterday. The benchmark index finished 13.9 points or 0.91% higher to 1,535.8. Market sentiment turned positive as there were 552 gainers against 351 losers. Volume traded stood at 3.05bn unit with shares valued at RM2.56bn was traded.

Asian stock markets ended higher yesterday. Shanghai Composite Index gained 1.34%, Hang Seng Index advanced 319 points and Nikkei 225 Index was 0.49% higher.

U.S. stock ended in positive territory overnight with the Dow Jones Industrial Average Index rose 407.8 points to 28,807.6, Nasdaq Composite Index closed 2.10% higher while S&P 500 Index was 1.50% higher.



News For The Day

Serba Dinamik wins 12 contracts

Serba Dinamik Holdings Bhd said today that three of its subsidiaries have secured 12 new contracts — half of which is worth a combined US\$78m (approximately RM320.89m), while the other half are on call-out basis. – *The Edge Markets*

Eversendai secures RM323m new contracts

Eversendai Corp Bhd is off to a great start in 2020, winning six new contracts worth RM323m in Malaysia, India and Qatar. The company increased the value of its order book to about RM1.87bn inclusive of the new wins to enhance its bottom line. – *The Edge Markets*

Unisem halts Chengdu operations over virus concerns

Unisem (M) Bhd has become the first Malaysian manufacturer to order a halt to its operations in China over concerns on the spread of the coronavirus. Its subsidiary Unisem Chengdu Co Ltd has stopped all operations at its plant on the directive of local authorities. – *Sunbiz*

MUI-linked Australian mine discovers high-grade gold ore

MUI Properties Bhd's 40.7% associate Nex Metals Exploration Ltd, which is listed on the Australian Stock Exchange, has found high-grade gold mineralisation in its Kookynie mining site located in the northeastern goldfields of Western Australia. – *The Edge Markets*

Oil flips into contango, indicating months of surplus

The oil market looks set for at least four months of depressed demand because of China's coronavirus outbreak, with a large crude surplus not expected to clear at least until August, analysts and traders said. - *Reuters*



Our Thoughts

Temporary reprieve amid the coronavirus as authorities are ramping up their efforts to stabilise the jitters. Overnight, Wall Street staged another impressive rebound to lend a hand solidifying market sentiment. Therefore, we reckon regional uptrend to continue and will spillover to the local bourse as well. All these are very well to check on the downtrend however in reality we are seeing crude oil as well as CPO continuing with their fall. Brent is currently hovering at US\$54 from above US\$60 mark only last month. As for CPO, we are hoping for a rapid rebound from current level as a prolonged dip may see a downgrade on the sector. All in all, the situation remains rather fluid hence we advocate investors to remain vigilant. The FBM KLCI is expected to see some resistance at the 1,550 level.



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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.rakutentrade.my

Kenny Yee Shen Pin
Head of Research