



05 November 2019

 research@rakutentrade.my

Previous Day Highlights

The FBM KLCI closed above key level 1,600 yesterday, gaining 10.2 points or 0.64% to 1,603.56. The index was mainly lifted by PCHEM and TENAGA. Market breadth turned positive with 452 gainers versus 360 losers.

Shanghai Composite Index rose 0.58% to 2,975.5, Japan's Nikkei 225 Index was down 0.33% while Hang Seng Index surged 446.5 points to 27,547.3 level.

US stock markets propelled to a new high amid optimism over US-China trade talk. Dow Jones Industrial Average Index soared to 27,462.1 points, S&P 500 Index advanced 0.37% and Nasdaq Composite Index rose 0.56%.



News For The Day

Ringgit hits 16-week high against US dollar

The ringgit strengthened to three-and-a-half-month high at 4.1505 against the US dollar yesterday – the highest since July 15 – following the appreciating trend among Asian currencies. - *The Edge Financial Daily*

Malaysia suffers sharpest export decline in 3 years

Malaysia, in September, suffered its steepest drop in exports in 35 months as all major sectors weakened, and seemingly there is little to cheer about going forward. The second successive month of contraction – down 6.8% year-on-year – was much worse than consensus projections of a flattish growth, amid a shorter working month and new US tariff of 15% on US\$110bn worth of Chinese products effective Sept 1. – *The Edge Financial Daily*

DRB-Hicom to issue RM3.5bn sukuk wakalah

DRB-Hicom Bhd propose to raise up to RM3.5bn through the establishment of a sukuk wakalah programme. It had made a lodgement for the programme, whose tenure will be up to 30 years from the date of first issuance of the sukuk wakalah. – *Sunbiz*

ACE Market-bound Spring Art posts RM3.05m profit in Q3

Ready-to-assemble furniture products designer and manufacturer Spring Art Holdings Bhd, which is scheduled to be listed this Friday, recorded a net profit of RM3.05m for the third quarter ended Sept 30, 2019 on the back of RM16.45m in revenue. – *Sunbiz*

ARB 3Q net profit spikes on IT amid temporary timber ops cessation

ARB Bhd reported a spike in net profit to RM8.29m in its third quarter ended Sept 30, 2019 from RM186,000 a year earlier, helped by a substantial revenue rise on IT-based income. – *The Edge Markets*

Cuscapi to provide F&B solutions in Myanmar

Point-of-sale systems provider Cuscapi Bhd has signed a memorandum of understanding with Zando Technologies Co Ltd to collaborate in offering competitive solutions to end-customers in Myanmar's food and beverage industry. Zando is a Myanmar-based company involved in systems integration and IT solutions for shopping complexes and F&B. - *The Edge Markets*



Our Thoughts

Seems like interests on equities are slowly creeping back on the back of clearer outlook on interest rates and also the US/China Trade discussion so far. As such, the FBM KLCI breached the 1,600 level for the first time since mid-September yesterday. Meanwhile, the crude oil price uptrend bodes well for the Ringgit as the MYR/US\$ has now strengthened to below 4.15 from almost 4.20 only a couple week back. The Brent Crude closed at above the US\$62/barrel yesterday. Today, we believe the benchmark FBM KLCI to test the 1,610 mark which is seen as the immediate resistance level.



05 November 2019

 research@rakutentrade.my

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees and further shall not be re-distributed to any other third party. Rakuten Trade Sdn Bhd accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Rakuten Trade Sdn Bhd and its associates, their directors, and/or employees may have positions in, and may affect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published:

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