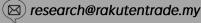


Dail<u>y Market Re</u>port



05 September 2019





Previous Day Highlights

The FBM KLCI rebounded from an intra-day low of 1,591.11 level to close at 1,599.89 yesterday. The index rose 8.37 points or 0.53%. On the broader market, gainers outnumbered losers by 479 versus 308.

Hong Kong's Hang Seng Index surged 995 points to 26,523.2 yesterday. Shanghai Composite Index gained 0.93% and Nikkei 225 Index advanced 0.12%.

US markets ended higher following the rallies in global markets amid the easing political tension in Hong Kong. The Dow rose 0.91%, Nasdaq gained 1.30% and S&P 500 advanced 1.08%.



Our Thoughts

It has been another round of downgrade in corporate earnings growth following the completion of the 3Q19 results season recently. Analysts further revised down their estimates especially for the Banking and Plantation sectors as prevailing market volatility further dampens sentiments. Therefore, earnings growth for 2019 is seen to decline by 3.1% from -0.5% previously. As for 2020, earnings growth is also expected to be weaker at 5.6% from 6.1% previously. As a result, expectations for the FBM KLCI by end-2019 is also less optimistic tagged at 1,680 from 1,720 before.



News For The Day

Exports back in positive territory, rising 1.7%

Malaysia's exports returned to positive territory in July, rising 1.7% from a year ago and rebounding from a dip in June, but economists warn the outlook remains challenge as US-China trade tensions continue to weigh on global growth and manufacturing. — *The Edge*

US investment in M'sia up sharply as trade row with China drags on

Malaysia approved US investment worth US\$5.62bn in the first half of the year compared with US\$113m in the previous year, a possible sign of diversion of US business as a trade row with China drags on. Economists say Vietnam and Malaysia are likely to be the biggest beneficiaries. – *The Edge*

Spring Art inks underwriting agreement for ACE Market listing

Spring Art Holdings Bhd has signed an underwriting agreement with M&A Securities Sdn Bhd for its initial public offering exercise on the ACE Market of Bursa Malaysia. The ready-to-assemble furniture products designer and manufacturer is scheduled to be listed by November. – *The Sun*

PPB confirms 'not in discussion' with FGV on MSM

PPB Group Bhd confirmed it is not in talks with FGV Holdings Bhd following FGV's announcement in July this year that it was exploring strategic alliances in the sugar industry via subsidiary MSM Malaysia Holdings Bhd. – The Edge

Vsolar and Permaju form solar partnership

Vsolar Group Bhd has entered into a partnership with Permaju Industries Bhd to develop a solar energy-generation facility with a capacity of up to 90 megawatts in Setul, Negri Sembilan. Vsolar will provide the required engineering services and expertise to build and operate the proposed facility. — *The Star*

Oil prices rise over 4% on positive economic data from China

Oil prices rose more than 4% on Wednesday, boosted by a wider market pickup on positive news from China, after three days of losses due to fears about a weakening global economy. Brent futures rose US\$2.44, or 4.2%, to settle at \$60.70 a barrel, \$56.26. - Reuters



Dail<u>y Market Re</u>port



05 September 2019



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