



05 September 2019

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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*



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