



06 December 2019

 research@rakutentrade.my

Previous Day Highlights

The FBM KLCI gained 2.65 points or 0.17% to 1,563.6 yesterday. Market sentiment was positive spurred by plantation counters as the FBM Palm Oil Index rose 4.62%. There were 529 gainers versus 305 losers.

Asian stock markets ended mostly higher. Japan's Nikkei 225 Index gained 0.71% while Hang Seng Index increased 154.5 points to 26,217.0. Meanwhile, Shanghai Composite Index was 0.74% higher.

U.S. stock markets finished higher overnight. The Dow Jones Industrial Average gained 0.10% to 27,677.8. S&P 500 Index dropped 0.15% to 3,117.4 points while Nasdaq inched up 0.05%.



News For The Day

Sapura Energy posts wider Q3 loss, secures RM615m jobs

Sapura Energy Bhd saw a wider net loss of RM100.9m for the third quarter ended Oct 31, 2019, compared to RM31.1m previously, reflecting the large volume of projects or activities that are in their early execution phases, involving mainly engineering and procurement, with lower project margins. – *Sunbiz*

TH Plantations sells Bintulu, Sibul assets for RM170m

TH Plantations Bhd is disposing of its 100% equity interests in Bumi Suria Ventures Sdn Bhd and Maju Warisan Sdn Bhd to Tamaco Plantation Sdn Bhd for RM170m. The two non-performing companies own 6,513.80 hectares of oil palm plantation in Bintulu and Sibul, Sarawak. – *The Edge Markets*

LFE Corp wins RM34.5m contracts to provide electrical services

LFE Corp Bhd has secured four contracts with a combined value of RM34.5m to provide electrical, fire protection, and hydraulic services for a service apartment project in Damansara, Selangor. The contract tenure spans 26 months from Sept 23, 2019 to Nov 22, 2021. – *The Edge Markets*

Gamuda expects to sign Penang Transport Master Plan PDP agreement in 'next few weeks'

Gamuda Bhd is likely to sign the Project Delivery Partner agreement for Penang Transport Master Plan in the 'next few weeks', and the first package of Light Rail Transit would be awarded by mid-2020, according to managing director. – *The Edge Markets*

Malakoff completes Alam Flora buy with lower price tag

Malakoff Corp Bhd has completed the acquisition of a 97.37% stake in Alam Flora Sdn Bhd from DRB-Hicom with a lower price tag of RM869m. This represents a discount of 8% from RM944.61m, after taking into consideration the revised independent discounted cashflow valuation range of between RM796m and RM893m. – *Sunbiz*



Our Thoughts

Expectations of further cuts in crude oil production may see oil prices to trend higher which in turn will spur production of bio fuel. While Brent price has climbed to almost US\$64/barrel, CPO has also trended higher at almost RM2,775/MT. These may induce buying interests to centre on both the Oil & Gas and some Plantation companies. Following yesterday's positive close for the FBM KLCI, we expect the buying momentum to persist albeit at a slower pace. Expect the FBM KLCI to test the 1,570 level today.



06 December 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