



06 November 2019

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI extended its gain and climbed higher to 1,606.7 yesterday (+3.2 points or 0.20%). Volume traded was higher with 2.62bn unit of shares exchanged valued at RM2.25bn.

Asia stock markets continued to rise following Wall Street record performance. Nikkei 225 Index hit near 13-month high, Hang Seng Index rose 0.46% and Shanghai Composite Index advanced 0.54%.

Dow Jones Industrial Average Index and Nasdaq Composite Index hit another record high overnight boosted by optimism over US – China trade war. Nasdaq closed at 8,434.7, Dow ended at 27,462.6 while S&P 500 Index finished 0.12% lower.



News For The Day

Bank negara maintains OPR at 3%

Bank Negara Malaysia decided to keep the overnight policy rate unchanged at 3% yesterday, in line with the market consensus. However, given the cloudy global outlook for 2020, economists expect at least one rate cut next year. – *The Edge Financial Daily*

Velesto awarded RM541m drilling contract

Velesto Energy Bhd's sub-subsidiary Velesto Drilling Sdn Bhd has been awarded a US\$131m (RM541m) contract from Carigali Hess Operating Company Sdn Bhd, for the provision of 10K jack up drilling rig for 2020 Drilling Programme. - *Sunbiz*

Hartalega's Q2 net profit down 14%

Hartalega Holdings Bhd's net profit slipped 13.6% to RM103.87m for its second quarter ended Sept 30, 2019 compared to RM120.22m in the same quarter a year ago, due to lower average selling price and higher packaging and natural gas cost. – *Sunbiz*

Dufu Technology 3Q net profit falls 23%

Dufu Technology Corp Bhd's net profit shrunk 23.5% to RM14.78m in the third quarter ended Sept 30, 2019, from RM19.32m in the same period last year, weighed down by lower realised foreign exchange by approximately RM1.6m. – *The Edge Financial Markets*

F&N pays 33 sen final dividend, FY19 profit rises

Fraser & Neave Holdings Bhd's full-year net profit rose 6.1% to RM410.26m from RM386.55m a year ago, resulting in a higher final dividend of 33 sen per share. This also brings the full-year payout to 60 sen, higher than the 57.5 sen paid last year. – *Sunbiz*

ECRL project progress stands at 11.07%

Until September, the progress of the East Coast Rail Route (ECRL) project stood at 11.07%, taking into account pre-construction work which includes design and procurement. – *The Edge Markets*

AirAsia Indonesia back in the black for Q3

AirAsia's Indonesian operation, PT AirAsia Indonesia Tbk returned to profitability in the third quarter of the year with a net profit of IDR83bn (RM24.45m) compared to a net loss of IDR214bn in the same period of the previous year, attributed to stronger demand, lower fuel cost and ongoing cost efficiency measures. – *Sunbiz*



Our Thoughts

US markets continues its record run on the back of an imminent trade deal with China and global economy seems to be stabilising after a series of interest rate cuts by central banks. Perhaps the worst is behind us as breath of optimism seems to be in the markets. At the local front, BNM kept interest rate unchanged in a sign that our economy remains on the right track with FBM KLCI remained above the 1,600 level. Meanwhile, our MYR continues to strengthen to RM4.13, all these are pointing to a long-awaited market rally in the making. Hence, we advocate investors to start accumulating stocks for the catching up rally where our benchmark KLCI is still down 4.96% YTD.



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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