



07 February 2020

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI recovered strongly to above key 1,550 level yesterday. The index advanced 16.0 points or 1.04% to 1,552.8 yesterday. Market breadth turned positive with 673 gainers leading losers of 292.

Asian stock markets ended on positive note yesterday with the Hong Kong's Hang Seng Index surged 707.0 points to 27,493.7 level. Shanghai Composite Index rose 1.72% and Nikkei 225 Index jumped 2.38%.

U.S. stock ended positively overnight after China unexpectedly slashed tariffs on \$75bn worth of U.S. goods. The Dow closed 0.30% higher, Nasdaq Composite Index gained 0.67% while S&P 500 Index was 0.33% higher.



News For The Day

Malaysia free from recession risks

Malaysia is not heading into a recession despite the government's plan to expedite the implementation of an economic stimulus package, said Finance Minister. – *The Edge Financial Daily*

ARB posts big jump in 4Q profit

ARB Bhd, formerly known as Aturmaju Resources Bhd, saw its net profit jump 157.15% to RM12.79m for the fourth quarter ended Dec 31, 2019, from RM4.96m a year earlier. The improved performance was driven by its information technology business, which contributed 100% of its total revenue. – *The Edge Markets*

Perstima's net profit falls 37.5% in Q3

perusahaan Sadur Timah Malaysia Bhd's net profit fell 37.5% to RM6.33m in its third quarter ended Dec 31, 2019 compared with RM10.13m reported in the same quarter of the previous year, due to lower sales volume despite higher profit margin during the period. – *Sunbiz*

BFood 2Q net profit at RM8m

Berjaya Food Bhd, which runs the Kenny Rogers Roasters and Starbucks chains in Malaysia, reported a net profit of RM8.01m in the second quarter ended Dec 31, 2019 (2QFY20), on a revenue of RM184.12m. – *The Edge Markets*

FMM calls for expeditious anti-virus shot

The Federation of Malaysia Manufacturers (FMM) is calling on the government to expedite the launch of its planned economic stimulus package, to minimise the impact of the Wuhan virus outbreak on Malaysia's growth. – *The Edge Financial Daily*

Atrium REIT 4Q rental income jumps 69%

Atrium Real Estate Investment Trust (Atrium REIT) net rental income in the fourth quarter ended Dec 31, 2019 (4QFY19) jumped 69.8% to RM8.13m from RM4.79m in 4QFY18. – *The Edge Markets*



Our Thoughts

News of China cutting tariffs on \$75bn US goods and Trump's impeachment acquittal send US markets to record high. Furthermore, the positive news on the coronavirus patients' recovery rate improved sentiments, nonetheless total numbers continue to rise. Regional markets in Asia are expected to take cue from bullish US markets and move higher today. Locally, we expect to see continued bargain hunting and news on potential economic stimulus package in the making will further support the recovery of FBM KLCI. We remain positive on the tech related stocks such as UWC, Dufu, Notion, JCY, Mi Technovation, Inari (our technical pick today).



07 February 2020

 research@rakutenrade.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.rakutenrade.my

Kenny Yee Shen Pin
Head of Research