



07 November 2019

research@rakutenrade.my

Previous Day Highlights

The FBM KLCI lost 3.5 points or 0.22% to 1,603.3 yesterday after it hit an intra-day low of 1,597.2. Market breadth turned negative as there were 490 losers, versus 333 gainers and 405 counters unchanged.

Shanghai Composite Index lost 0.43% to 2,978.6. Hang Seng Index continued to rise and ended at 27,688.7 points. Japan's Nikkei 225 Index increased 0.22%.

US stock markets ended on mixed note after the record-breaking performance. The Dow Jones Industrial Average Index closed flat at 27,492.6 while Nasdaq Composite Index declined 0.29%. S&P 500 inched up 0.07% to 3,076.8.

Our Thoughts

Outlook for equities seems like is getting a reprieve over a potential positive outcome from the US/China Trade talk coupled with interest rates staying put during the course of 2019. However, one must be wary of Wall Street's recent record-breaking performances as prevailing high valuations now may now be a major impediment for further upside and becoming more susceptible to a slightest of negative news flow. Therefore, caution may still rule the day and we envisage further uptrend to be rather limited. Locally, the outlook is a tad better from the strengthening of regional currencies especially the Chinese Renminbi now at below the 7.00 mark against the USD. Following yesterday's mild correction, we envisage the FBM KLCI to resume with its uptrend and see 1,610 as the immediate resistance level. We continue to look favourably at some of the Banking stocks and construction counters.

News For The Day

Mitrajaya bags RM137m project from UEM

Mitrajaya Holdings Bhd's wholly owned subsidiary Pembinaan Mitrajaya Sdn Bhd has been awarded a RM137m contract from UEM Group's Milik Harta Sdn Bhd for the development of a 37-storey condominium in Mont' Kiara, Kuala Lumpur. – *Sunbiz*

Sapura Energy 2Q net loss narrows to RM116m

Sapura Energy Bhd's net loss for the second quarter ended July 31, 2019 narrowed to RM116.31m from RM126.06m for the year-ago quarter, on the back of a 87% jump in revenue to RM1.93bn versus RM1.03bn. – *The Edge Financial Daily*

Thai c.bank cuts key rate as exports under pressure, more easing likely

Thailand's central bank cut its benchmark interest for a second time this year, stepping up efforts to bolster its economy as exports will likely take a bigger hit from the Sino-U.S. trade war. – *Sunbiz*

Gadang eyes new Pan Borneo Sabah packages

Gadang Holdings Bhd intends to participate in the open tender process for the three Pan Borneo Sabah packages — worth RM925m — to be awarded next year, besides having submitted bids for some RM1bn worth of construction jobs. – *The Edge Markets*

F&N says fresh milk to be new growth pillar

Fraser & Neave Holdings Bhd says fresh milk will be a new growth pillar for the company, in line with its plan to diversify into integrated dairy farming with the proposed acquisition of the Ladang Chuping plantation land in Perlis. – *The Edge Markets*

Country Heights to dispose of KL land for RM54m

Country Heights Holdings Bhd has proposed to sell a piece of vacant land in Kuala Lumpur for RM54.25m. The land, located in the mukim of Batu, is held by Country Heights' wholly-owned subsidiary Mega Palm Sdn Bhd. – *The Edge Markets*

PPB associate Wilmar to build largest rice mill in Myanmar economic zone

PPB Group Bhd's 18.5%-owned associate Wilmar International Ltd will build the largest rice mill in Myanmar's Thilawa Special Economic Zone to capitalise on Myanmar's economic growth. – *The Edge Markets*



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