



08 August 2019

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Previous Day Highlights

The FBM KLCI closed 7.09 points or 0.44% lower to 1,604.7 yesterday. The blue-chip index was mainly dragged by the sell down of Genting related stocks.

Regional markets closed mixed with the Shanghai Composite Index dropped 0.32% but both Hang Seng Index and Nikkei 225 Index rose 0.08% and 0.33% respectively.

US stock markets rebounded slightly with the S&P 500 Index and Nasdaq Composite Index inched up 0.0% and 0.38% respectively. Meanwhile, the Dow dropped a marginal 0.09%.



Our Thoughts

The slump in the US 10-year Treasury yield should see some funds returning to equities as we reckon the decline was a tad too steep. The US 10-year yield touched 1.71% yesterday which is a 2-year low. Regional central banks were also taking turns in revising their rates yesterday namely New Zealand (-0.50%), India (-0.35%) and Thailand (-0.15%) as we may be entering into the realm of lower rates soon amid the trade war uncertainties. As such, we envisage such moves to be positive for equities and may see some buying momentum on the local bourse today. Immediate resistance for the FBM KLCI is seen at 1,620 level.



News For The Day

RTP erases RM2.6bn from GENM market cap

The related party transaction (RTP) that costs Genting Malaysia Bhd (GENM) RM538.8m cash has wiped out RM2.6bn from the casino operator's market capitalisation yesterday. The announcement on GENM buying a 35% stake loss-making Nasdaq-listed gaming company Empire Resorts Inc from its controlling shareholder Tan Sri Lim Kok Thay, who is also the executive chairman, sparked fierce sell-down on the stock. – *The Edge*

Eita's LRT3 contract value slashed by 65%

Eita Resources Bhd's contract to supply lifts and escalators for the Light Rail Transit Line 3 (LRT3) project has been revised, with the contract sum cut by a whopping 65.42% to RM67.45m, from RM195.07m previously. It has received a new letter of appointment and notices of termination from MRCB George Kent Sdn Bhd, which is LRT3's project delivery partner. Its unit EITA Elevator (Malaysia) Sdn Bhd has once again been appointed as the works package contractor for the supply, delivery, installation, testing and commissioning of lifts and escalators for the project. – *The Edge*

Bina Puri makes cash call

Bina Puri Holdings Bhd plans to raise up to RM39.54m through a rights issue, sweetened by one free three-year warrant for every rights share. The proposed rights issue involves up to 439.35m new shares together with up to 439.35m free warrants. – *The Edge*

Bioalpha's unit bags contract in China

Its subsidiary has been contracted to manufacture food-based products to be sold in China. Bioalpha International Sdn Bhd has signed an agreement with Jinrui Yandatang Co Ltd to develop a formulation and manufacture eight food-based products for Jinrui. Bioalpha International will own the rights of the trade secret for the required raw materials, formulations and manufacturing processes. – *The Edge*

Metronic Global to develop smart city solutions

Metronic Global Bhd has teamed up with China's Zhuhai Singyes New Materials Technology Co Ltd (Singyes) to jointly develop smart city solutions in Malaysia. The joint venture (JV) represents part of its initiative to seek out for value accretive investments while leveraging on its existing engineering capabilities. – *The Edge*



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