



08 November 2019

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Previous Day Highlights

The FBM KLCI gained 6.1 points or 0.38% to close at 1,609.3 yesterday mainly led by KLK and GENTING. There were 456 gainers versus 382 loser and 398 counters unchanged.

Asia stock markets continued to rise with Hong Kong's Hang Seng Index finished 0.57% higher to 27,847.2. Shanghai Composite Index closed at 2,978.7 while Nikkei 225 Index advanced 0.11%.

US stock markets finished on positive territory amid the optimism over US-China trade deal. Dow Jones gained 0.66% to 27,674.8, S&P advanced 0.27% while Nasdaq rose 0.28%.



News For The Day

BNM wants cash payments capped at RM25,000 next year

Bank Negara Malaysia (BNM) is proposing to set a cash transaction limit (CTL) of RM25,000 next year, as part of its initiative to continue curbing financial crimes. A CTL is the cap on the physical cash amount that can be paid per transaction. – *The Edge Financial Daily*

Public Bank Q3 earnings affected by OPR reduction

Public Bank Bhd's net profit for the third quarter ended Sept 30, 2019 fell 1.5% to RM1.36bn from RM1.38bn a year ago, due to the negative effect of the 0.25% Overnight Policy Rate (OPR) reduction in May 2019. Revenue was also marginally lower by 0.2% to RM5.61bn from RM5.62bn. – *Sunbiz*

GDB bags RM213.3m hotel development contract

GDB Holdings Bhd's wholly owned subsidiary Grand Dynamic Builders Sdn Bhd secured a contract to build the Hyatt Centric Hotel in Kota Kinabalu, Sabah with a contract value of RM213.3m. The duration of the contract will be for 22.5 months, commencing on January 2, 2020 with a scheduled completion date of November 16, 2021. – *Sunbiz*

Pentamaster's 3Q net profit up 26%

While most semiconductor players have reported lower earnings for the third quarter of this year, Pentamaster Corp Bhd's net profit grew 25.56% to RM21.48m during the period, on the back of higher revenue from the automated test equipment operating segment. – *The Edge Markets*

Ranhill posts stronger 3Q profit

Ranhill Holdings Bhd's net profit for the third quarter ended Sept 30, 2019 rose 7% to RM17.63m from RM16.49m a year ago, thanks to higher contribution from its environment segment. – *The Edge Markets*

Sentoria plans RM49.5m land sale in Langkawi resort project

Property developer and resort operator Sentoria Group Bhd plans to give up ownership of part of a plot of land for its Langkawi Geopark Resort City project to bring in a strategic investor for the resort development. – *Sunbiz*



Our Thoughts

Anticipation of a positive outcome from the US/China talk further fuelled optimism on the equities markets. China's stocks also soared following MSCI's expansion of its weighting on Chinese stocks with foreign shareholding now at record high of around USD255bn. As foreign funds are making a comeback into Asia, it is only natural that Malaysia will eventually benefit from the spillover effects. Reflecting the improving outlook, our Ringgit strengthened to 4.12/USD currently from almost 4.20 since August. For today, allow the local bourse to digest yesterday's uptrend with some intermittent correction. Nonetheless, we expect the benchmark FBM KLCI to climb further ahead with the next resistance seen at 1,620 level. Time to accumulate on Petronas linked companies that were trashed rather badly YTD plus smallish construction related companies with the likes of Econpile, Vertice, Vizione and Crest Builder.



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