



09 August 2019

 [research@rakutenrade.my](mailto:research@rakutenrade.my)

## Previous Day Highlights

The FBM KLCI marked a rebound hitting an intraday high of 1,620.58 points before closing at 1,616.02 yesterday. The index was up 11.32 points with AIXATA and SIMEPLT leading the index. Market breath turned positive with 508 gainers versus losers of 296.

Regional markets closed on positive notes with the Shanghai Composite Index gaining 0.93% to 2,794.55. Hong Kong stock markets rebounded as Hang Seng Index closed 0.48% higher while Nikkei 225 Index recorded a gain of 0.37%.

US stocks continued its strong rebound with the Dow Jones rising 1.43%, S&P 500 Index up 1.88% and Nasdaq Composite Index surged 2.24%



## News For The Day

### **“Special channel” for investments from China**

Malaysia plans to set up a special channel to facilitate more investments from China, said Finance Minister Lim Guan Eng. It is expected to double Chinese foreign direct investments (FDIs) in manufacturing from China to about RM8.8bn from RM4.4bn in the 1<sup>st</sup> quarter of this year. – TheEdge/Bernama

### **Surprise growth in China’s July exports**

China’s exports unexpectedly returned to growth in July on improved global demand despite escalating US trade pressure, but the rebound may be short-lived as Washington prepares to slap even more tariffs on Chinese goods. – The Sun/Reuters

### **Kerjaya Prospek bags RM95m BBCC job**

Kerjaya Prospek has accepted RM94.83m from BBC Development Sdn Bhd for development Bukit Bintang development in Kuala Lumpur. The project’s construction works will take 14 months from its scheduled commencement August 2019 and targeted for completion by October 2020. – TheSunBiz

### **Airasia relents on PSC a year later**

Airasia is collecting the higher airport tax under protest and will start charging their passengers flying beyond Asean out of KLIA2 a passenger service charge (PSC) of RM73 from RM50 currently. – TheEdge Financial

### **MSC 2Q net profit triples but warns challenging times**

Malaysia Smelting Corp 2Q19 profit tripled year-on-year to RM7.8m or 1.9 sen per share in the second quarter ended June 30, 2019, from Rm2.46m or 0.6sen per share a year ago. The better earnings were mainly due to higher operating profit generated by the tin mining segment. – TheEdge Financial



## Our Thoughts

Trump’s itchy fingers continued as he now targets the Feds reluctance to cut rates further as the main reason for the relatively strong USD. In view of this, we can expect the USD to depreciate as a counter action for the weakening Chinese Yuan. Meanwhile, we reckon this should be positive for regional currencies and are maintaining our stance that the MYR to re-test the RM4/USD1 by year end. Maybe this is also the precursor for foreign investors to relook at the emerging markets. On the local front, we expect the FBM KLCI to be flattish with some upside bias as investors may not be willing to commit over the extended weekend.



09 August 2019

 [research@rakutenrade.my](mailto: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](http://www.rakutenrade.my)

Kenny Yee Shen Pin  
Head of Research