



09 December 2019

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Previous Day Highlights

The FBM KLCI gained 4.86 points or 0.31% to 1,568.4 last Friday lifted by TENAGA, SIMEPLT and MISC. Market sentiment was positive as there were 497 gainers versus 355 losers.

Asian stock markets ended mostly higher. Japan's Nikkei 225 Index gained 0.23% while Hang Seng Index increased 1.07% to 26,498.4. Meanwhile, Shanghai Composite Index was 0.43% higher.

U.S. stock markets finished higher last Friday. The Dow Jones Industrial Average gained 1.22% to 28,015.1. S&P 500 Index increased 0.91% to 3,145.9 points while Nasdaq was 1.0% higher.



News For The Day

AirAsia Group expects non-airline business to contribute 60% to revenue

AirAsia Group Bhd expects its non-airline business to contribute 60% to its revenue from about 20% currently in the next five years, said group chief executive officer. The low-cost carrier is diversifying its business, venturing into the food and beverage industry with the recent opening of its restaurant, Santan, followed by its entrance in the music industry with the launch of its record label, RedRecords. – *Sunbiz*

MISC bags US\$245m in long-term charter contracts from Shell

MISC Bhd's wholly-owned subsidiary, AET Tanker Holdings Sdn Bhd has been awarded three long-term time charter contracts valued at US\$245m (RM1.02bn) by Brazil Shipping I Ltd, a Shell Group entity. AET is the petroleum shipping unit of MISC and specialises in the global ocean transport of petroleum. – *Sunbiz*

MMC JV company bags RM131m gas pipeline EPCC contract

MMC Corp Bhd said a joint venture between MMC Engineering & Construction Sdn Bhd, MMC Oil & Gas Engineering Sdn Bhd and Sedia Engineering Works Sdn Bhd has been awarded an RM131.4m contract for the engineering, procurement, construction and commissioning of the PGU-I gas pipeline replacement project. – *The Edge Markets*

Cahaya Mata Sarawak wins 10-year road maintenance contract from State Govt

Cahaya Mata Sarawak Bhd has been awarded a 10-year road maintenance and management contract in Sarawak by the State Government. The group said its 51%-owned indirect subsidiary PPES Works will undertake the road maintenance in Kuching, Serian, Samarahan, Kapit, Sibu and Sarikei for 10 years from Jan 1, 2020. The total road length covered under the contract is 3,300.65 km, while the contract is currently worth RM99.22m per annum, excluding any additional works. – *The Edge Markets*



Our Thoughts

Buoyed by improving US economic data, investors risk appetite also improved as many switched their attention to equities. As a result, Wall Street saw solid gains last week which we believe will ripple across Asia as well. For today, we reckon the FBM KLCI will continue with its uptrend following days of selling pressure and expect the benchmark index to hover between the 1,575/80 levels. Supported by renewed optimism over the CPO price, we may continue to see buying interests on plantation related stocks to remain in particular for the small and mid caps. In addition, we are confident that buying interests may return to construction related stocks as we anticipate the commencements of mega infra related projects to be rather soon.



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Published:

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