



09 July 2019

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Previous Day Highlights

The FBM KLCI started the week lower dropping 4.89 points or 0.29% to 1,677.64 points yesterday. The benchmark index saw a total of 24 decliners versus 3 gainers. Market breath was weak with 568 losers outpaced 267 gainers.

Asian markets closed on negative notes following the easing of US rate cut expectations. The Shanghai Composite Index lost 2.58%, Hang Seng Index dropped 1.54% and Nikkei 225 Index declined 0.98%.

U.S. stock markets fell as investors remained concern on the interest rate direction. The technology-led Nasdaq Composite Index closed 0.78% lower mainly dragged by Apple shares. The Dow dropped 0.43% and S&P 500 Index lost 0.48%.



Our Thoughts

The Government has heeded our call and announced the resumption of 2 mega infra related projects yesterday. First and foremost, the RM44bn East Coast Rail Link (ECRL) will commence later this month while the double tracking around Klang Valley worth RM3bn will be rehabilitated soon. Slowly but surely, we expect more infra related projects to be revived soon with Penang being the hub and of course the High Speed Rail (HSR) estimated at RM75bn is another catalyst to boost the domestic economy. Expect interests on construction companies to return with focus on Gamuda, IJM, Eonpile, HSS and Gadang.



News For The Day

Barakah Offshore has found a white knight

Barakah Offshore Petroleum Bhd has found a white knight, Singapore's Lecca Group Ptd Ltd, to revive its financial health. Lecca Group will emerge as the single largest shareholder with 44.87% stake. – *The Edge Markets*

TDM clinches CPO supply deal

TDM Bhd, in which the Terengganu state government has a controlling 61.49% stake, has secured a deal to supply 107,500 tonnes of crude palm oil (CPO) over a period of 43 months, that comes with an upfront RM189m payment. – *The Edge Markets*

Mestron to explore JV on providing centralised system for BBU

It entered into a memorandum of understanding with Platinum Core Solutions Sdn Bhd to explore a joint venture arrangement in providing centralised system for base band unit (BBU) that convert cellular baseband signals into radio frequency signals to licensed network service providers in Malaysia. – *The Sun Daily*

Double-track rail project to resume

Phase two of the project to rehabilitate the double-track railway lines around the Klang Valley is expected to resume soon at a lower price, with the contract to be re-awarded to the original contractors. – *The Star*

BToto's Philippine unit reduces stake in PGMC

Berjaya Sports Toto Bhd's 88.26%-owned subsidiary Berjaya Philippines Inc's stake in Philippine Gaming Management Corporation (PGMC) has been pared down to 39.99% from 99.99%. – *The Edge Markets*



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