



12 June 2020

 research@rakutenrade.my

Previous Day Highlights

The FBM KLCI closed 18.0 points or 1.14% lower to 1,557.3 yesterday. Market sentiment was weak as there were 928 losers versus gainers of 264. Volume traded across Bursa Malaysia was higher with 9.16bn unit of shares valued at RM5.91bn.

Asian stock indices fell yesterday. Hang Seng Index dropped 569.6 points or 2.27% to 24,480.2, Shanghai Composite Index declined 0.78% or 22.9 points to 2,9209 while Nikkei 225 Index closed 2.82% or 652.0 points lower to 22,471.9.

US stocks dropped overnight as investors are cautious on the economy recovery and a 2nd wave of coronavirus. Dow Jones plunged 1,861.8 points or 6.90% to 25,128.2, S&P 500 dropped 5.89% to 3,002.1 while Nasdaq Composite Index lost 5.27% to 9,492.7 points.

Our Thoughts

Wall Street experienced one of its worst sell-down yesterday on fears of a 2nd Covid 19 wave couple with the high unemployment rate. As a result, the DJI Average lost almost 1,900 points to hover just above the 25,000 mark. In line with the fragile sentiments, we reckon regional markets to see the same today as correction should take centre stage. Locally, the FBM KLCI will finally relent from its stubbornness and undergo some downside today. Therefore, we see a more meaningful support at the 1,500 level for the benchmark index. Meanwhile, the 2nd wave fears had also seen crude oil price decline with the Brent down to below the US\$40/barrel again at US\$38.55.



News For The Day

Top Glove achieves best-ever quarterly results

Top Glove Corp Bhd saw its net profit rise more than four times to a record RM347.9m for its third quarter ended May 31, from RM74.67m a year ago on growth in sales volume, driven by high demand during the Covid-19 pandemic. – *Sunbiz*

BAuto posts RM2.5m net profit for Q4

Bermaz Auto Bhd reported a lower net profit of RM2.5m for its fourth quarter ended April 30, from RM60.06m in the previous corresponding quarter mainly due to exceptionally low profit contributions from both the domestic and Philippine operations, and a lower share of profit contribution from one of its associated companies, Mazda Malaysia Sdn Bhd. – *Sunbiz*

IGB posts lower 1Q profit

IGB Bhd posted a 64.25% decline in net profit to RM17.68m for its first quarter ended March 31, 2020 from RM49.45m a year ago, as it faced a weak property market while its hotel business was hit by the COVID-19 outbreak. – *The Edge Markets*

Pantech 4Q profit falls 36%

Pantech Group Holdings Bhd saw its fourth quarter net profit decline 35.88% to RM7.23m from RM11.28m a year earlier, dragged by slow oil and gas activities, sale of smaller-margin products and higher taxes. – *The Edge Markets*

Pavilion REIT net profit halved in Q1

Pavilion Real Estate Investment Trust net profits halved to RM34.6m for its first quarter ended March 31, compared to RM69.23m reported in the previous corresponding quarter, mainly due to lower net property income. – *The Edge Markets*



12 June 2020

 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

Kenny Yee Shen Pin
Head of Research