



13 May 2019

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

## Previous Day Highlights

The FBM KLCI posted 3 consecutive losses to close at 1,610.27 points last Friday. The index saw a dip of 8.26 points or 0.51% after U.S. increased tariffs from 10% to 25% on \$200bn worth of Chinese goods. Volume traded on Bursa Malaysia stood at 2.29bn with shares worth of RM1.84bn traded.

Regional markets ended mixed with the Shanghai Composite Index and Hang Seng Index rebounded 3.10% and 0.84% respectively. Likewise, Japan's Nikkei 225 finished 0.27% lower.

U.S. stock markets closed higher last Friday after Trump said China trade talks to continue and indicated that the talks were constructive. The Dow gained 0.44%, S&P 500 Index advanced 0.37% while the Nasdaq Composite Index inched up 0.08%.

## Our Thoughts

US tariff hike of 25% on China has kicked in last Friday on US\$200bn worth of Chinese imports. Markets will continue to be volatile and is reacting to the headline news or tweets as evidenced by the rebound on Dow Jones from 359 points loss to close 114 points higher last Friday to 25,942.37. Larry Kudlow, Donald Trump's economic adviser said there is a "strong possibility" that Trump will meet Chinese President Xi Jinping at G20 summit in late June. Our view is that it is trading market for now and there are opportunities to selectively buying and follow our technical reports.

## News For The Day

### **Advanced Synergy's cash pile to rise after land sale**

Advance Synergy Bhd, a company controlled by businessman Datuk Ahmad Sebi Bakar is selling a piece of land for RM124m cash. The price tag is equivalent to 95% of the company's market capitalization of RM130m, based on the stock's closing at 14 sen last Friday. The land is being sold to Singapore's real estate giant Mapletree Investments Pte Ltd. – *The Edge Financial Daily*

### **Tomei to close 'My Diamond' brand**

After a year where its earnings slumped 70% on a lower sales volume and profit margin, Tomei Consolidated Bhd is now looking to focus on its core brands – its namesake "Tomei" and its niche product brand "Goldheart" – amid the "tough" market it finds itself in. In line with that, it has decided to do away with its "My Diamond" brand by the third quarter of this year, which will result in the closure of the remaining four stores under the brand. – *The Edge Markets*

### **AmBank Islamic demands RM12.85m loan payment from Seacera**

Seacera Group Bhd has received a letter of demand from AmBank Islamic Bhd demanding a payment of RM12.85 m. The payment is in respect of the total amount outstanding and due payable under the Murabahah Tawarruq Term Financing-i, Murabahah Tawarruq Cashline-i and Multi Trade Finance Facilities-i. Seacera is required to settle the payment in full within seven days from May 9, 2019. - *The Sun Daily*

### **Lotte Chemical Titan launches its shale gas project in the US**

Lotte Chemical USA Corp has launched a US\$3.1bn (RM12.98bn) new shale gas project in Louisiana, USA. The project is a 40:60 joint venture investment project between Lotte Chemical Titan Holding Bhd and Lotte Chemical Corp, Korea, and is a large-scale petrochemical complex comprising two manufacturing facilities. The complex has a production capacity of one million tonnes of ethylene and 700,000 tonnes of mono ethylene glycol per year. - *The Sun Daily*



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**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