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Economy

US: Weekly jobless claims unexpectedly show modest decrease . First-time claims for US unemployment benefits unexpectedly showed a modest decrease in the week ended Aug 3rd, according to a report released by the Labor Department. The report said initial jobless claims dipped to 209,000, a decrease of 8,000 from the previous week's revised level of 217,000. (RTT)

US: Consumer comfort fall the most in 10 months. Sentiment among US consumers fell the most in almost 10 months, led by dimmer views of the economy as market turmoil returned on another flareup in the US-China trade war. The Bloomberg Consumer Comfort Index decreased 1.8 points to 62.9 in the week ended Aug 4, data released show. The decline in comfort was driven by a drop among lower-income Americans. (Bloomberg)

US: Wholesale inventories unexpectedly unchanged in June . With a drop in inventories of non-durable goods offsetting an increase in inventories of durable goods, the Commerce Department released a report showing wholesale inventories in the US were unchanged in June. The Commerce Department said wholesale inventories were virtually unchanged in June after climbing by 0.4% in May. The report said inventories of durable goods rose by 0.3% for the second straight month amid jumps in inventories of computer equipment and furniture. On the other hand, inventories of non-durable goods fell by 0.4% in June after a 0.6% increase in May, partly reflecting a steep drop in inventories of drugs. (RTT)

US: Holds off on Huawei licenses as China halts crop-buying . The White House is holding off on a decision about licenses for US companies to restart business with Huawei Technologies Co. after Beijing said it was halting purchases of US farming goods, according to people familiar with the matter. Commerce Secretary Wilbur Ross, whose department has vetted the applications to resume sales, said last week he's received 50 requests and that a decision on them was pending. American businesses require a special license to supply goods to Huawei after the US added the Chinese telecommunications giant to a trade blacklist in May over national-security concerns. (Bloomberg)

EU: European banks staring down barrel of ECB rate cut seek relief . After five years of negative interest rates, Europe's lenders are grasping for straws. Top bankers used the release of dire earnings in recent weeks to lobby the ECB to soften the blow of another potential interest rate cut. From Deutsche Bank AG to UniCredit SpA, executives say expectations for even lower rates have already made it harder to meet their goals, at a time when international trade disputes have clients sitting on the sidelines. (Bloomberg)

EU: UK must leave EU on Oct. 31, PM Johnson says when asked about prospect of resigning . Parliament should honour the 2016 Brexit referendum and leave the EU on Oct. 31, British Prime Minister Boris Johnson said when asked if he would resign if his government lost a vote of no-confidence. Johnson has pledged to take Britain out of the EU at the end of Oct, with or without a deal, setting himself up for a clash with lawmakers who have vowed to try and stop a no-deal Brexit, including by trying to collapse the government. Some reports have said Johnson could refuse to resign even if he lost a no-confidence vote, in order to delay an election beyond Brexit day and ensure the country leaves the EU. (Reuters)

UK: Chancellor Javid delays full spending review to 2020. The UK government delayed its full spending review to 2020 and will instead hold a one-year exercise so departments know their budgets for the next financial year. The decision, announced by Chancellor of the Exchequer Sajid Javid, ends months of speculation but will disappoint departments craving certainty about their finances. Only the National Health Service has a medium-term plan. It underlines the uncertainty over the outlook for the economy, given the growing risk that Britain crashes out of the EU without a deal on Oct. 31. (Bloomberg)

China: Exports rebound just in time to face fresh Trump tariffs. China's export growth rebounded in July and imports shrank less than forecast, signaling some recovery in trade just as companies brace for the arrival of new tariffs from the US. Exports increased 3.3% YoY in July, while imports declined 5.6%, leaving a trade surplus of USD45.1bn, the customs administration said Thursday. China's exports to the US dropped 6.5% YoY in July in dollar terms and its trade surplus with the US for the first seven months was USD27.97bn, down from USD29.92bn in the first half. Stabilizing exports are a brighter sign for China's slowing economy after a bruising first half, and follow indications that policy makers are willing to tolerate a weaker yuan that may help boost the nation's external competitiveness. (Bloomberg)

Japan: BOJ caught in trade war crossfire as JPY dents inflation outlook . An escalation in the US-China trade war is dealing a serious blow to the BOJ by burnishing the JPY's haven appeal. Japan's currency has climbed almost 3% versus the dollar this month to levels last seen during Jan's flash crash as trade tensions fuel the flight to safety. The timing couldn't be worse as the JPY's resurgence would lower import prices, hampering the BOJ's efforts to restore inflation, just when a looming sales-tax hike in Oct looks set to hit consumer spending. (Bloomberg)

Philippines: Central Bank cuts interest rate as economy slows . The Philippines cut its benchmark interest rate by a quarter-percentage point, in line with most forecasts, resuming policy easing after economic growth and inflation slowed. "Weaker global economic prospects continue to temper the inflation outlook," central bank Governor Benjamin Diokno told reporters after the decision. That environment "provides room for a further reduction in the policy rate as a preemptive move against the risks associated with the weakening global growth." (Bloomberg)

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Markets

Advance Synergy: Buys back resort hotel for RM23m. Advance Synergy is buying back the Holiday Villa Cherating property from Amanah Raya for RM22.96m. It has signed a sale and purchase agreement with Amanah Raya to buy back the resort hotel. The property consists of an administration building, hotel/apartment blocks, standard and individually designed chalets and villas, and other ancillary buildings and structures. The property is 25.5 to 31 years old and was acquired in 1987 for RM16.3m. (StarBiz)

Malton: Warns of possible failed venture in Taiwan. Malton's JV unit could be on the brink of losing its qualification to bid for the construction of a superstructure above the airport express train station located near the main train station in Taipei. If the JV unit fails to sign an investment agreement for the project with the Taipei city authorities before Aug 9, its qualification as the best applicant for the project would be waived. Last Dec, the JV was selected to enter into the next phase of the bidding process for the project. (The Edge)

Kerjaya Prospek: Bags RM94.8m contract from EPF-UDA-Eco World JV. Kerjaya Prospek has accepted a RM94.83m contract from BCC Development SB to construct the main building for a commercial project. It had accepted the letter of award from BBCC, a joint venture company set up by EPF, UDA Holdings and ECO World for the project off Jalan Hang Tuah/ Jalan Pudu. (StarBiz)

ECM Libra: Buys three more hotels for RM62m. ECM Libra Financial Group is buying three hotels, together with the land where they are built on, from Tune Hotels SB for RM62.04m. These hotels are Tune Hotel @ Danga Bay (218 rooms), The Chow Kit An Ormond Hotel (113 rooms), and MoMo's Kuala Lumpur (99 rooms). It has entered into a conditional sale and purchase agreement with Tune Hotels for the acquisition of these properties. The acquisition is expected to be completed in the 1Q2020. (The Edge)

PUC: Proposes second private placement in less than a year. PUC has proposed to raise up to RM15.58m via a private placement to fund its working capital as well as digital infrastructure design and development for its Presto mobile application. The proposed placement involves the issuance of up to 229.06m shares, representing 10% of the total number of issued shares, to third parties yet to be identified. The issue price has yet to be determined but will be issued based on a discount of not more than 10% to its 5- day VWAP. (The Edge)

Metronic: Proposes private placement to raise up to RM9.4m to develop smart city solutions. Metronic Global has proposed to undertake a private placement to raise up to RM9.41m, the bulk or RM9.25m to be used for the development of smart city solutions in Malaysia, in partnership with a Chinese company. It has teamed up with China's Zhuhai Singyes New Materials Technology Co Ltd (Singyes) and that its wholly-owned subsidiary Metronic Engineering SB (MESB) had signed an agreement with Singyes to form a JV company. (The Edge)

Berjaya Land: Redesignates ED Syed Ali to CEO. Berjaya Land (BLand) has redesignated its executive director (ED) Syed Ali Shahul Hameed as the company's chief executive officer (CEO). Syed Ali will be replacing Datuk Pee Kang Seng @ Lim Kang Seng, who has resigned due to other work commitments and responsibilities. The 48-year-old Indian first joined Berjaya Land on Sept 4, 1997. He was a Director of Property Development and Complexes, Property Division, and is responsible for overseeing the engineering aspects. (The Edge)

Market Update

US markets clawed back more of the early week's losses as investors took heart in better-than-expected trade data out of China amid an increasingly acrimonious trade dispute between both countries. Global bond yields have also been volatile, exacerbated by a slew of central banks' rate cuts which fuelled worries over global growth. New Zealand, India and Taiwan made moves this week. On equities however, technology-based shares led US gainers on the day, driving the Nasdaq Composite 2.2% higher. The Dow Jones Industrial Average and S&P 500 were 1.4% and 1.9% higher. Markets east of the Atlantic gained on the stabilization in global bond yields which helped to ease concerns over slower global economic growth. Earnings were also in focus, though the mixed picture (Adidas reported better profits but lower sales as Deutsche Telekom met expectations) on the day failed to dampen the mood. France's CAC 40 and Germany's DAX jumped 2.2% and 1.7% while UK's FTSE 100 gained 1.2%. Earlier in the day, Asian bourses were mostly higher as Chinese customs data showed surprising strength in the country's July exports. The Yuan continues to remain the spotlight as the People's Bank of China looks to hold its value at the psychological 7 per USD1. The Shanghai Composite and Hang Seng indices rose 0.9% and 0.5% while Japan's Nikkei 225 gained 0.4%. The FBM KLCI was 0.7% higher overnight though Singapore's Straits Times Index slipped 0.5%.

ECM Libra Financial Group is buying three hotels together with the land they are built on from Tune Hotels for about RM62m. Malton's joint venture unit could be on the brink of losing its qualification to bid for the construction of a superstructure above the airport express train station located near the main train station in Taipei. Khee San alleges that the Bank of China (M) Bhd has committed breach of conduct after the bank took legal action against it due to a default on loan repayment amounting to RM14.6m.

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